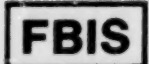


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West Europe Report

No. 1874



FOREIGN BROADCAST INFORMATION SERVICE

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WEST EUROPE REPORT

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FOREIGN COUNTRIES SAID TO AID TURKISH TERRORISTS

Istanbul MILLIYET in Turkish 2 Nov 81 p 12

/Test/ Ankara--Special Dispatch--The General Staff Martial Law Coordination Chairmanship has issued a statement pertaining to its work in the period from 12 September 1980 through 12 September 1981 and stated that the large scale aid received by terrorism in Turkey from foreign countries has been documented.

The statement says that a clear link has been established between the organizations known as THKP-C/ML /Turkish People's Liberation Party-Front/Marxist-Leninist/, Dev-Sol /Revolutionary Left/, TKP-ML /Turkish Communist Party-Marxist-Leninist/ and TKP /Turkish Communist Party/ and foreign countries. The statement adds that members of the TKP in particular were given training at the "Social Sciences Institute" in a foreign country. The statement continues: "All these examples clearly show that the terrorists receive financial aid, weapons and materiel from foreign countries. In addition to direct dispatch of arms this foreign support takes the form of sale of weapons through smuggling networks organized and encouraged by foreign states."

There Are 662 Destructive, Divisive Organizations

The statement notes that currently there are 662 organizations abroad involved in destructive and divisive activities against Turkey and that 286 of these are on the extreme left, 109 are on the extreme right, 27 are secessionist organizations and 240 are reactionary organizations. The statement adds that in the past year there were 5,789 incidents and that 74 percent of the incidents occurred in the 6 largest provinces. According to the statement 60 percent of these incidents were initiated by leftist, 3 percent by secessionist and 2 percent by rightist groups; the originators of 35 percent of the incidents have not been determined.

In Clashes, 174 Terrorists Were Killed

The statement says that 282 persons lost their lives in anarchic incidents in the past year and that 55 of these were security officials; in addition, 174 terrorists were killed in clashes they were involved.

The statement adds that in the same period 660 persons were wounded and that 11 of these were security officials. The statement notes that there was a drop in the number of incidents of all types /presumably compared to the previous year/ and that 43,140 persons were detained for various charges.

Captured Weapons

The statement lists the weapons captured in the course of raids as follows:

37,388 infantry rifles, 5,277 automatic rifles, 49,959 cargines, 3,360 automatic pistols, 523,435 pistols, 2,338,730 rounds of ammunition, 11,113 units of explosive material, 1 mortar, 23 rocket launchers, 70 walkie-talkies.

The statement notes that the organization known as Dev-Sol has made an arms support agreement with the foreign country it has links with and that it has been documented that the agreement entailed the dispatch by TIR trucks of 100 pistols, 300 Kalashnikov automatic rifles, 300 automatic pistols, 500 hand grenades, 20 silencers and 10 rocket launchers.

The statement says that 24,183 rifles, 615 automatic rifles, 2,474 automatic pistols, 132,532 pistols and 635,707 rounds of ammunition were surrendered to security forces by the people in accordance with the law issued by the National Security Council. The statement adds that a total of 75,103 rifles and 661,821 pistols were captured through raids and voluntary surrender in the past year.

The statement says that currently there is a total of 29,929 persons in jail, 3,731 of which are under custody, 24,300 are under arrest and 1,898 are serving sentence. The statement adds that 65 persons have been sentenced to death; 16 of these sentences have been confirmed and 10 have been executed. The statement also says that there are search warrants for 14,505 persons.

The statement says that of the 342 petitions filed in connection with torture and bad treatment 104 have been found groundless and 40 have been considered serious and that as a result legal action has been brought against 89 officials, 3 police officials have been punished and 11 security officials have been fired.

According to the statement:

"The struggle will continue until all illegal organizations are totally eradicated. The support and help given by our people to the security forces in the battle against anarchy and terror is deeply appreciated. We are confident that we will attain our goal through the joint efforts of the security forces and our people."

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COST OF LIVING REACHES ALL TIME HIGH

Nicosia CYPRUS MAIL in English 18 Nov 81 p 1

[Text] The cost of living index for October has moved 1.55 points to a new high of 158.29 points making it almost certain that index-tied wages will be boosted by another nine percent as from January next.

The Department of Statistics and Research of the Ministry of Finance has announced that the index for October moved to 158.29 points compared to 156.64 points in September, having gone up by 5.90 points since June last.

The increase is officially attributed to higher prices for fruit and perishables, fresh milk, electricity and maintenance and repairs of dwellings.

The cost of living allowance is adjusted every six months and therefore the index average for the period July to December will determine the allowance for the period from January next.

The index for June stood at 152.39 points and index-tied wages and salaries, of public servants, government employees and most of the workers covered by collective agreements received a 6 percent increase in the cost of living allowance.

9 Percent

On the assumption that there is no fall from the present rate, the allowance for the next period from January 1, based on the average for the current second half of the year, will be 9 percent, according to a trade union official.

The Minister of Finance has proposed a freeze or revision of the present system of cost of living allowance calculation in order to check the spiral of wages chasing prices.

However, at a meeting with the Minister, representatives of the trade unions strongly opposed any such idea and demanded instead more strict control of prices.

At his recent television appearance, the Minister of Finance defended the government's proposal for revision of calculation which, he said, feeds inflation and makes Cypriot products uncompetitive both at home and abroad but promised that no unilateral action will be taken.

The Minister, Mr Afxentiou said that he hoped an agreed prices and incomes policy could be worked out.

ECONOMY-FINANCE MINISTER DELORS INTERVIEWED

Paris LE NOUVEL ECONOMISTE in French 9 Nov 81 pp 36-41

[Interview with Jacques Delors, minister of economy and finance, by Jean-Pierre Sereni of LE NOUVEL ECONOMISTE, date and place not specified.]

[Text] So that France will remain an important player on the European and even the world gameboard, Jacques Delors appeals to the French for a "profound reconciliation," and "change within pluralism," as he explained to LE NOUVEL ECONOMISTE.

At the Socialist Party Congress in Valence he did not leave the bench of his federation, Correze. The most popular of Pierre Mauroy's ministers, if you believe a recent Sofres poll, nevertheless had a lot to say, and an appeal to make. The problems of a mixed economy, that bumpy synthesis of public and private omnipresent throughout the West, will not instantaneously disappear once the structural reforms promised by the new administration are implemented. There must be a long and patient effort both to revive competition that has been too often dormant and to limit the powers of the influential, first of all of the state and its offspring, public enterprise.

[Question] You have now been at the Rue de Rivoli for almost 6 months. From this privileged vantage point of French society and the way it works, have you in any way modified your idea of France?

[Answer] France is more unchangeable than changeable. I expected modern factors to be more widespread among the small and large leaders. Business and industry have an attitude toward the state similar to an adolescent's toward his father--vengeful, vindictive, and whiny. Is it a game? Once at home do they set to work and forget this ritualistic dialogue?

[Question] There are also advantages...

[Answer] France has two advantages over its neighbors: a feeling of nation, of a collective that must survive and have its say; and a taste for work which is still very widespread despite the damaging effects of unemployment.

[Question] When will the unemployment trend be reversed?

[Answer] Towards the end of 1982, beginning of 1983, but it will not be possible unless we abandon, in our public discussions, our detestible habit of talking about a civil cold war. One of the prime responsibilities of those in power today is to reconcile the French with themselves. There comes a time when dramatic talk poisons the environment.

[Question] Should an appeal be made to relax?

[Answer] There are three ways of looking at the future: not to face it and to talk a lot about slow growth; to fear it to the point of not discussing it; or to face it directly. This last is stimulating and, even for the generations that have already worked a lot, it is worth rolling up your sleeves once more. So, let's look at the future directly and with enthusiasm without hiding the perils and difficulties from ourselves.

[Question] But how can you instill confidence in those who don't have it?

[Answer] You must accept change within pluralism. The two words don't automatically go together. Change means accepting a new conception of solidarity and new social relationships. Pluralism consists of respecting the ways of thinking and convictions of others; it does not mean asking them to renounce being themselves but to adapt to the new deal. Since there are positive values in everyone, we can arrive at an in-depth reconciliation by using these common riches as a foundation. The current political talk, on the right as well as the left, is dirtying the air and completely disregards the analysis of the eighties with its potentials, threats and constraints. It is time to remind the nation of them in order to mobilize around this survival goal. Otherwise, future generations will unfavorably remember those who left them a France which followed the blind path begun by Giscard d'Estaing. In other words, a France with no longer anything to say about the affairs of Europe and the world.

[Question] Once the nationalizations are in effect, where would you place the French economy? Will it be socialist or still liberal?

[Answer] The French economy, like that of its neighbors, will remain a mixed economy where the market and state intervention coexist. In reality, no matter what size of the public sector, all mixed economies have the same problems. Their inflexibility has increased dangerously since the sixties, and the struggle to distribute national revenue grows more and more intense among the different social groups. A final characteristic is that markets and competition are not functioning as well. The crisis has expanded the state's role in the economy, and it has become more unmethodical and less coherent. Consequently, the real problem facing us is to inject greater flexibility into the mixed economy.

[Question] But doesn't nationalization--that is, further strengthening of the state's role--work against this goal?

[Answer] The problem of size in our economies is separate from that of the size of the public sector. Large firms, professional organizations, union headquarters--no institution can really escape from it, either in France or abroad. Group economy predominates a bit everywhere.

[Question] But the fact still is that the very nature of the public enterprise does not give it any particular flexibility...

[Answer] Public firms must not be allowed to benefit from any special status which would let them avoid following the normal rules of the game. Rules of the game which of course will have been restructured and whose bases are competition on French and world markets and the visibility of action by the state, which should intervene on the basis of simple criteria defined by flexible planning. Public enterprises should not become, as they sometimes did in France and especially did abroad, companies of unlimited irresponsibility or potentates free from any control.

[Question] What will the penalties be?

[Answer] They will be twofold; they must fulfill the needs of the market and satisfy the contract implemented with the Plan. Since the end of the sixties the absence of sanctions has been one of the major weaknesses of mixed economies.

[Question] Will these public firms be given a special status?

[Answer] No. Abroad, for example, no distinction is made between a public company operating at a loss and a private company supported by the state. What we hope to do by extending the public sector to include industrial firms which provide goods rather than a public service is to have firms capable of meeting the two challenges of the eighties: the third industrial revolution and the new international competitiveness.

[Question] We are familiar with the market's penalty- bankruptcy. But what would the Plan's penalty be?

[Answer] The Plan should give public enterprises the means to be competitive and strong on the world market, which is their natural market, when faced with their important international competition. This will be accomplished by measures whose goals will be dictated by the market. For example, in one sensitive area for our future, microprocessors, the three French firms in the field should be able to furnish "y" percent of the French market and "x" percent of the European market within the next 5 years. I deliberately chose that example; currently Europe produces only 30 percent of its needs, and that is done under American license. Special measures seem better to me than the professional plan which leads to bureaucratic and disorganized allocations which by their very nature exclude any synergy.

[Question] Concretely, what will be in these special measures to link the large public enterprise to the Plan?

[Answer] The measures will contain the necessary means for reaching the goals and also the way to best encourage industrial production both before and after the actual production process. In the end, industrial development of the eighties will come about in two ways: First by the large firm which encourages and keeps smaller firms around it, but also, and this is where the basic difference with the sixties lies, by the independent development of small firms that will be able to innovate on the sophisticated markets of the information economy. These two sources of creativity are already at work in America.

[Question] But how can the public sector help this movement?

[Answer] The small and medium-sized firms of the third generation will develop independently of the public sector, spontaneously. Tomorrow one worker out of two will be producing intangible goods, particularly information. Very individualized needs will arise which will be satisfied by firms situated at the intersection of a patent which does not belong to them and a know-how which is theirs alone.

I am not opposing small and large here to illustrate any kind of political symbolism, but because tomorrow's economy will have two poles: large firms with their subcontracting environment and with small and medium-sized firms associated with them, and a second new and original pole, the small and medium-sized firms created from the ideas of engineers or managers who, after having worked as employees for 10 or 20 years, implement a new idea and take their chances.

[Question] In what areas?

[Answer] The third industrial revolution offers us new possibilities, such as data processing, microprocessors, biotechnology, bioenergy, small appliances...We could of course miss this crucial meeting and simply become consumers of goods invented and manufactured elsewhere. It has already happened in history; some countries have missed the deadline for video tape recorders and have slipped in the area of mopeds.

[Question] Why? Because of the state or industrialists?

[Answer] There are two reasons. The relationships which have developed during the last 20 years between the state and large private groups were not good. It was a mixture of laissez-faire and administrative directing which did not necessarily encourage expansion and innovation. In any case, those who succeeded were often the least dependent on the state. On the other hand in West Germany, besides stronger support by the banks, there was an active policy of state financing of research which greatly helped German firms in certain areas. This, however, did not prevent the Japanese from being successful in Germany in certain important fields: mass market electronics and automobiles. Which, by the way, emphasizes the seriousness of the challenge to Europe.

[Question] Your technological priorities are apparently not very different from those of the former administration. Where do you find fault with them? With their goals or their methods?

[Answer] It was more a question of doing things incorrectly; the allocations and appropriations were not the best. A lot can be done by financing research as the Americans and Germans have shown, and this is the idea behind Jean-Pierre Chevenement's action. ANVAR [National Agency for the Valorization of Research] has gotten good results, and this method must be developed. Simply put, density favors creativity in the complex industrial fabric of the post-industrial society. Several research teams looking for a new product have more chances of finding it than a single team.

[Question] But won't the large public firms, with their strength and the support of the state, be able to take over these small and medium-sized firms, their ideas and their staff?

[Answer] Yes, this is a risk. My serious criticism of the market is based on two arguments. To succeed on a market means reaching a position whereby you escape from the competition. More than a century ago Karl Marx understood this very well--competition kills competition. The second weakness of the market economy has to do with power. Safety and profitability are pushed to the background of a manager's concerns, to be replaced by desire for power and unfettered growth of his influence.

[Question] Will nationalized firms wield their power with more restraint?

[Answer] Their directors will probably be as power-hungry as their predecessors in the private sector, but it will be done within the open framework of planning and control by the public authorities, including the finance minister and Parliament. It will be better than the present secrecy.

[Question] Will you enact laws about this?

[Answer] Yes. The first legislative text on nationalizations was legal and political in nature. Next we must, in law, define some of the rules of the game which I have just outlined briefly. It means reconciling the independence of public firms and the restraint of their use of their powers. This is not a problem confined to public enterprise. For 15 years private groups closely associated with state orders have discreetly abused their power and relationships.

[Question] Will you require national firms to fulfill the same informational requirements as private companies?

[Answer] Yes, of course, that is my goal. They must give the Stock Exchange Operations Committee the same information as listed firms. Even if the state is the stockholder there is no reason to depart from the rule. Besides, they will have to do this if they want to function in their real sphere, the world, and especially if they want to borrow on the outside.

[Question] Why not bring back the Commission for Verifying Public Enterprises which was abolished in 1976?

[Answer] We must find a verification system for the state-stockholder which will correspond to the auditors for private stockholders, but this must be done by individuals who are familiar with the firm and according to a philosophy which recognizes, in this risky field, the right to make mistakes.

Control will function from two points of view, that of the state-stockholder and that of the nation. Within the state budget there will be appropriations for increasing the capital of the nationalizables, and so Parliament will be involved. This is one of the major discussions that will take place in the Senate during the debate on nationalizations. The nation's representatives must reconcile the autonomy of these firms with a system of checks which will not be overly fastidious.

[Question] Will the old public sector keep the current methods of control while the new will be exempt?

[Answer] In my opinion it would be preferable to distinguish between the performance of a public service and the supplying of a good or a service on a market. Those are

two very distinct concepts which the law of the future should take into account rather than maintaining a formal separation between "old" and "new" nationalizations.

[Question] Twenty-five percent public and 75 percent private constitutes a mixed economy. But with the opposite--75 percent public and 25 percent private--do you still have a mixed economy?

[Answer] If the level of the public sector is too large, you no longer have a mixed economy. You have to maintain a balance. After the nationalizations that threshold will not be reached and the mixed economy will function better as long as excesses of power are avoided and the rules of the game between the state and national firms are neither paralyzing nor too loose.

[Question] With practically all of finance being nationalized and 50 percent of industry the threshold won't be reached?

[Answer] It won't be 50 percent of industry. The French economy produces more and more services which are primarily provided by the private sector. The public sector represents a total of about 16 percent of the gross domestic product. Finance is another, very different, problem. In this area, two fundamental principles must be maintained; a banker must be able to refuse his assistance to a client if that is warranted, and the same client must be able to approach other establishments. It is not a question of transforming finance into a public service.

[Question] But how much room for movement will the banker have, sandwiched between his stockholder, the state, the Plan and stronger local governments?

[Answer] We will never go back to a plan which, like the one for 1945-1952 and because of the weakness of financing sources, set the criteria for granting long-term financing and gave preliminary authorization for issuing stocks and bonds or any guaranteed credit. This type of planning was adapted to a weak economy. Today the Plan need only establish priorities which will be implemented through fiscal measures, the budget and perhaps some kind of division of resources available for the long term. For example, if France decided to make a big effort to save energy, we would have to come up with the necessary resources at the expense of other goals but it could be done. The relative abundance of available capital in the French economy today means that we won't fall into a constraining system in which the head of the Plan's financial service gives the green light before any financial activity.

[Question] And local pressure? Won't it be very difficult for the nationalized banker to face that?

[Answer] Decentralization, which is the antidote to bureaucracy, is a reform which will not be easy to accomplish. It must be implemented day by day and a lot of habits will have to be changed because it is contrary to our way of thinking. The president, who is quite committed to this, sees it as the only way to bring responsibility to society and to contain the excesses of the central state. But on an economic level a clear distinction must be made between political duties and financial responsibilities. Banks should be independent of the local authorities and the distribution of financial aid should be protected from political influence. We must organize and protect this independence.

[Question] Owners readily define the freedom of enterprise by four freedoms--that of prices, investment, financing, and internal organization of the firm. Do you agree with this definition?

[Answer] Yes, as for the freedom of prices. I took some provisional measures in that area in order to disengage France from inflation. Investment will remain free except abroad, where it must receive preliminary authorization which has been liberally granted ever since I have been at the Rue de Rivoli. I have taken into account our possibilities for change rather than the firm's type of industry, which illustrates the new style I mentioned at the beginning of our interview. And also, of course, our relations with other countries which, even when they are ultraliberal, more or less willingly accept foreign investment.

[Question] If the possibilities for changing decrease, would you then also reduce foreign investments?

[Answer] It was the same before we came along, even worse. A firm like Elf-Aquitaine was prevented from working. We are in a situation where we must keep an eye on our foreign currency reserves in relation to our objectives. We are responsible for the franc, and we belong to the European monetary system. We thus have a number of responsibilities and carrying them out implies overcoming the inevitable contradictions that are inherent in any economic policy.

[Question] And the third freedom, financing?

[Answer] Our concern is to increase financing possibilities and to reach a better balance between risk capital and long-term resources, and to bring the bank and the business firm closer together within the framework of bank reform. We have only begun thinking about this important reform, but I will point out that the French bank does not have a spontaneous attitude of taking over all the problems of a firm. Even if there are striking exceptions to this behavior such as the French tradition of discounting and three signatures on every paper.

[Question] Won't the nationalization of the banks cause bankers to avoid risk even more?

[Answer] A bank's profit is often linked to the absence of risk. In France there are few investment bankers or merchant bankers; this, by the way, is why I am so committed to preserving the network of relations and the synergy of Paribas, which is familiar with such jobs. But that implies that a reasonable margin and cash flow are still one criterion of good bank management.

[Question] But will the freedom of management remain so unhampered?

[Answer] Even in the most liberal countries, work organization within the firm must henceforth be negotiated with the employees. We do not need a law which reduces this freedom, but the organization of work must, one way or another, be negotiated with the workers.

[Question] But not investment or hiring?

[Answer] No, because then you wind up in a co-management system which French unions don't want. Improving the French system of industrial relations, which is indispensable for our economy's prosperity, should be done in a French manner and without mixing up styles. This leads to three aspects of what is called workers' rights: to be able to negotiate (salaries, workweek, internal policies of employment and training); to be better informed (within the joint production committee); and to be able to express oneself at the workplace, in discussions with supervisors and management.

[Question] The recovery seems to be geared towards consumption. But what about investment?

[Answer] I don't have any figures yet but I am rather pleased with the economic recovery process. For the moment it is neither too weak nor too strong. Going too fast would lead to cardiac arrest in the second half of 1982. Exports (+ 5 percent annual rate) and private demand are pulling the French economy satisfactorily.

[Question] Couldn't that be emphasized more?

[Answer] I had in mind the 1976 rebound which was too strong. When you start off that way, tendencies towards imbalance increase--internally through inflation and externally through the trade deficit. No one knows how to set a policy selective enough to have at the same time maximum possible growth, price deflation, and a limiting of the trade deficit. That's only found in books.

[Question] Even with a gentle recovery, if the international recovery is not on schedule, how long can we hold on by ourselves?

[Answer] This year, the upturn in exports, which account for 1 percent of growth, is due to the demands of OPEC and non-petroleum third world countries who have gone into debt. Next year OPEC's demand should stay the same, but that of the developing countries is less certain. And so we need a new impetus coming from the recovery of the industrialized countries. However, don't jump to conclusions. The ups and downs of the rate of exchange can modify everything, for better or worse. Last year the devaluation of the old world's currencies in relation to the dollar stimulated European sales on American markets. In 1982 the success of the French recovery will mean starting up again, especially in the EEC countries, which account for half of our trade.

[Question] Do you see a German recovery coming soon?

[Answer] It is the key economy for Europe, but before recovering it will have to get good results with its balance of payments and reevaluation of the mark in relation to the dollar. The German trade surplus has begun to increase again because of significantly increased exports and a quasistagnation of imports due to reduced activity. This should result in a distinct decrease in the current German deficit of payments in 1981 compared to 1980. But if the French recovery were followed by a German recovery, economic prospects would improve significantly in Europe. On the other hand, high interest rates in the United States and an artificially inflated dollar would obviously seriously handicap the German recovery.

[Question] While waiting for this improved situation, how much must we borrow abroad this year in order to finance our foreign deficit?

[Answer] Between 35 and 40 billion francs in 1981 and the same in 1982. For the time being things are going well; we are letting our firms act according to their own needs. The financing program is going normally.

[Question] How far can you go in divorcing domestic interest rates from international ones?

[Answer] There are two ways of doing this and they are both equally questionable. You can guarantee some financial credits, but this is more and more expensive for the budget. Or you can erect a more or less impermeable wall between the money market and the international market, which is a temptation to isolate ourselves.

[Question] Is there still room for the money market to fall?

[Answer] We have to see how the supply and demand, respectively, of capital evolves. The change these last few days is particularly favorable, since we went below 16 percent completely spontaneously. The monetary readjustment of last 3 October had all the expected good results. Everyone admits that the action was a success.

[Question] And the financial market?

[Answer] This year it will reach about 100 billion francs vs. 110 billion in 1980 and a forecast of 120-130 billion for 1982. Taking into account the 3-month freeze on operations because of the elections, that is a success. Savers had to be reassured. And I thus avoided upsetting any of the rules of the game. The reforms will be gradual and their goal will be to increase the volume of savings available for long-term placement and risk capital as well as better protecting mass savings.

[Question] What will the public treasury's needs be next year?

[Answer] That will depend both on the correct mechanism of financing the budget deficit (and in first place borrowing), and on the strength of activity. Theoretically the state's needs should reach 100 billion francs in 1982, less in 1983 if the recovery takes hold.

[Question] Aren't the planned fiscal measures liable to discourage savings?

[Answer] The most preoccupying concern at present would be the discouragement of managers and executives when the recovery begins. Knowing the rules of the game, they will have to take into account all elements of the situation: professional plans, interest for the job, and the place of management and staff representatives within the firm. My only message to them today would be to encourage them. They hold a central place in an innovative and competitive economy.

[Question] The government strategy seems to be favoring the small and medium-sized firms over the large firm owners. Why are the large firms being ostracized?

[Answer] In the assistance measures which were presented in the beginning of October, there is no discrimination between large and small firms, except for

certain measures which by their very nature are directed more towards the small and medium-sized firms whose specific difficulties of access to finance and innovation are known.

[Question] You have often mentioned the permanent causes of French inflation. Do they still seem to you to be so definite?

[Answer] With good collective discipline, French inflation could return to 8 or 9 percent while German inflation would be 5 percent. The residual difference is due to structural causes. We do not have the same basic social structures. In Germany, the percentage of employees is greater, the middle class smaller. In France the left and the right have chosen a different type of society with a lot of farmers, merchants, artisans, small-business men and others. Socially this is quite respectable, but it's expensive in terms of inflation.

[Question] And besides these social causes?

[Answer] There is much to be done in terms of competition, but being strict at this level threatens the future of some social categories. We're not to that point yet. In France we have a sort of corporate culture based on understandings between businesses and the state which is less frequently encountered in other countries. We also have an inadequate use of savings, at the expense of productive activities.

[Question] What are your weapons in the fight against inflation? You are against price controls, and you haven't set any norm for increase in the money supply. What do you propose to do?

[Answer] We have to take our lessons from the patent failures and the fleeting successes of my predecessors in this area. We are involved in a psychological and educational action based on demonstration to prove to the French that they will live better with a price increase of 10 percent rather than 14 percent. At the same time we are maintaining total salary freedom and almost total price freedom. Where competition doesn't enter in we must simply resort to restraints by business. We come up against the fundamental contradiction of the policy of competition: at any given time, there is a choice between competition which functions poorly and business restraint which works well. But a partisan of competition finds the latter reprehensible. In this area, the best is the enemy of what's good.

[Question] Does the present salary trend worry you?

[Answer] No. At the present time the trend is satisfactory. Strong enough to stimulate demand, but not too strong to fuel inflation.

[Question] Why doesn't union hostility to the price and income policy relent?

[Answer] There is a huge misunderstanding which I am trying to counteract by ensuring freedom of salary negotiation. How could I, who started up contractual policy in France between 1969 and 1972, do anything different? I am simply proposing a new deal which will be attractive to all players: the unions, business, and the general public, who identify, in the case in point, with the necessity of slowing down unnecessary changes.

[Question] There is a lot of talk about recapturing the domestic market, but not much has been done. What is the current status?

[Answer] This is a topic which the Socialists have been discussing for 7 years, but which business leaders have taken up only since 1979. Concern rose as our share in the market was constantly nibbled away. Today this is the domestic version of a larger situation--the state of our competitiveness, in all its aspects, from productivity to product quality. In textiles, for example, there is a new demand appearing for lower quality items. Adapting to this and supplying products for mass distribution is still competitive. In other areas the problem is different. With appliances the turnover for new products is too long. Recapturing the domestic market is not just a question of price and productivity but, in a larger sense, adapting to a continually changing demand.

[Question] We need to invest heavily in high technology areas in order to resist foreign competition and in traditional areas in order to modernize. We need to fill in the gaps just about everywhere. Will there be enough money to do all this at once?

[Answer] If you add the recession, which is reducing direct fiscal revenue, to the needs which result from the recovery and the industrial challenge, it's almost impossible. We have to find a minimal economic health which will produce complementary resources. Once that is done we will have to make choices, particularly financial ones. There won't be money for everything.

[Question] We've forgotten what year we're in?

[Answer] The eighties should be the years of the post-industrial society. Quality should replace quantity; our prosperity and our relative economic strength compared to the rest of the world must remain intact. Europeans were preparing to live through these years, but at the same time new values based on hedonism were spreading. And, surprise, the world became a difficult place once again. That is a pivotal problem, a universal one, not just a French one. Economic war is part of it. Of course, certain limited accords are possible: For example, enacting a large-scale economic agreement between the EEC, the United States and Japan; straightening out the international monetary system; doing a better job of recycling capital. Improvement can be made in all these areas but it will still be difficult because everyone wants his place in the sun. The advantage that Europe had in the beginning of the sixties has eroded.

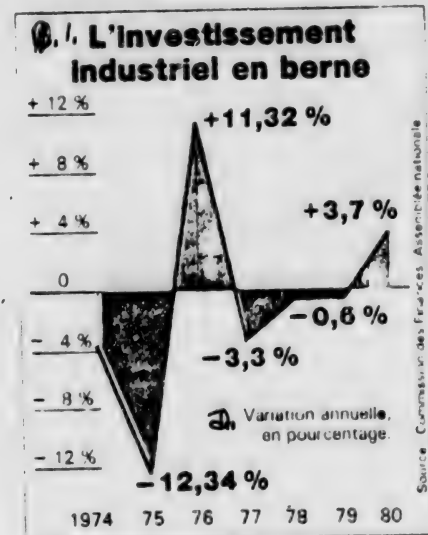
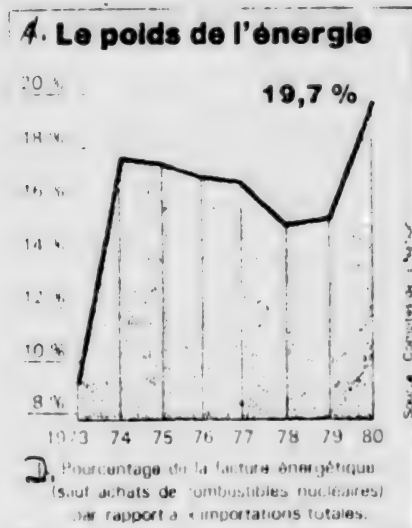
[Question] To the point of disappearing?

[Answer] Europe can only count on itself to remain a vital player on the world gameboard. In the future there will certainly be a temptation to forget Europe during large-scale planetary negotiations. The old world is at a crossroads. One road leads inexorably to decline, while the other, which I have proposed, opens up the stimulating paths of effort and progress.

Permanent problems

France has not escaped from the structural problems of the mixed economy. Despite the electronuclear program, the energy bill is higher than ever. Languid investment

explains the industrial apathy we have experienced since 1974. The development of public employment, constituting one-third of salaried employment, has perhaps attained its uppermost limit, especially with the stiff climb in the budget deficit which cannot be repeated next year, at least for psychological reasons.



1. The price of Energy
2. Percentage of energy bill (excluding purchases of nuclear fuel) compared to total imports.

1. Languid Industrial Investment
2. Annual variation in percent



1. Who Employs the 18 Million Salaried Frenchmen?
2. State
3. Local governments
4. Public firms
5. Private Sector
6. Social Security

1.7 Sept ans de déficit budgétaire

	2. Soldes prévisionnels	3. Résultats d'exécution
1976	0	-20,2
1977	0	-13,3
1978	-8,9	-34,3
1979	-15,1	-37,6
1980	-31	-30,2 (1)
1981	-29,4	-70 (1)
1982	-95	

4. Evolution depuis 1976 des soldes prévisionnels et des résultats d'exécution des lois de Finances, en milliards de francs.

5. (1) Chiffres provisoires.

1. Seven years of budget deficit
2. Forecast
3. Actual
4. Forecast and actual deficits since 1976 resulting from the implementation of finance laws, in billion of francs
5. Provisional figures.

L'Industrie française a la traîne

Japon	4,1 %
Italie	2,6 %
Etats-Unis	2,2 %
RFA	2,1 %
France	1,2 %
Belgique	1,1 %
Pays-Bas	1,1 %
Royaume-Uni	0,3 %

Variation annuelle moyenne de la production industrielle pour 1975-1980, en pourcentage.

Source : Commission des Finances, Assemblée nationale.

1. The Dragging French Economy
2. Japan
3. Italy
4. United States
5. West Germany
6. France
7. Belgium
8. The Netherlands
9. United Kingdom
10. Average annual variation in industrial production 1975-1980 in percent

9720

CSO: 3100/118

PASOK PLANS FOR ECONOMIC RECOVERY REPORTEL

Athens OIKONOMIKOS TAKHYDROMOS in Greek No 46, 12 Nov 81 pp 9-11

[Article by Nikos Nikolaou]

[Text] The collaboration of productive classes and the government is starting out with very good omens, while the government, through both its president and minister of coordination, is accomplishing spectacular openings to the business world. It seems that these openings arise from the government's conviction that today, as never before, mobilization on all sides of private factors is necessary if economic recovery is to be achieved. On their side, the productive classes hope that this collaboration will be developed on a permanent basis and they note with particular satisfaction that the government is planning to exercise an expansionist economic policy which will revive all of the businesses which are, as is known, at death's door.

Opposition circles are calling the openings to the business world a complete reversal of the government from its pre-electoral positions and maintain that it is clear that, under the pressure of events, essentially the same economic policy will be continued. A qualified government factor, when questioned about this by OIKONOMIKOS TAKHYDROMOS, stated categorically that there is no backing down on PASOK's part and he referred both to the "Proclamation of Government Policy" issued before the elections and to Andr. Papandreou's pre-electoral speeches in which the role of private initiative is recognized. The same factor called to mind that, speaking on 15 October in Syndagma Square, the PASOK [Panhellenic Socialist Movement] president said: "We believe in private initiative which, side by side with the collective effort, will fashion a new course for the Greek economy."

In any case, independent observers note that past words are no longer significant and that it is natural for what was said "with poetic license" before the elections to be readjusted in a realistic spirit.

The curtain of contacts between the government and productive classes opened last Monday, 9 November, when the president of the government received the board of the Association of Greek Industrialists [SEV]. As announced by SEV, A. Papandreou told them he considers Greek industry a factor of primary significance for the country's development. He affirmed that all the measures which relate to it will be discussed so that SEV's viewpoints will also be heard before definite decisions are taken. He added, moreover, that he believes in the primary role of private initiative and will see with satisfaction private initiative showing itself dynamically to the benefit of the national economy.

The next day, 10 November, the premier met with the members of the Administrative Committee of the Union of Commercial and Industrial Chambers of Greece [EEVEE] and confirmed that the government is not planning to make a monologue, but will exercise economic policy after first having a dialogue with the interested classes. Measures are not going to be taken by surprise and the productive classes' viewpoints will always be listened to with particular attention. Of principal significance is the premier's statement that, among the basic targets of the economic policy to be followed, will be: support of the value of the drachma; decentralization, in which the chambers will be called to take an active part; improvement in the productivity of the public sector; and restoration of the banking system and public lending. Particular attention for economic recovery, stressed the premier, will be given to strengthening supply, as well as to providing the necessary resources to private initiative for expansion of its investment work.

On his side, the president of the Administrative Council of EEVEE, Laz. Efraimoglou, had previously stressed that a sincere desire of the chambers is close cooperation with the government for stabilization and recovery of the economy and he had maintained that a basic economic choice will have to be taming inflation, parallel with a rise in productivity in the public sector. In addition, he said, domestic production will have to be increased with the expansion of investments to sectors with an intensive exporting orientation and advanced technology. Special attention will have to be given to reasearch for acquisition of a national industrial technology, as well as restoration of the banking system. Finally, Efraimoglou asked that there be re-establishment of realistic lending conditions for the public sector which today absorbs huge resources at very low interest rates, thereby depriving the private sector of the financing means so necessary for its expansion.

It is clear that there is already an identity of viewpoints both on the general direction of the economic policy, which will be expansionist, and, in part, on the goals. Such a concurrence is a very positive element which will decide to a great degree the success in practice of the government's economic policy.

Incentives

In any case, the enlistment of private initiative in the work of the economy's restoration and recovery will be decided to a large proportion by the stand which the government takes on the great issue of developmental incentives. This is because, at this moment, the fate of incentives (investment, but also export) is the most delicate, but also most acute, problem in relations between the government and the business world.

Stability of the institutional framework applying to incentives is one of the basic prerequisites for private initiative being activated investmentwise. Investment is, by nature, a long term thing and in order to risk it, the private person will have to have the convenience of planning it with the premises of the economic policy (that is, incentives) secure for a period of at least four to five years. Investments cannot occur when a complete reversal of incentives follows every political change. The investment climate in such a case is mortally injured.

At this opportunity, we note that there is some entanglement in application of Law 1116)81 which, as is known, established the new incentives for economic and regional development--that is, investment subsidies (free capital) and interest

subsidies. At any rate, Law 1116)81 did not "freeze," as was written and which the minister of coordination categorically denied.

The issue of the fate of Law 1116)81 was one of the essential items which the SEV Board discussed in its meeting last Tuesday, 10 November, with Minister of Coordination Ap. Lazaris. As was officially announced: "The minister stressed to the SEV representatives that the government will proceed in reforming the policy of incentives, the goal being for incentives to be closely tied to the targets of the new government's developmental program, as had also been announced before the elections. In the meantime, until the new incentives are developed with the co-operation of productive classes and the workers, the present system of incentives will continue to be in force. At the same time, however, procedures will be applied which will minimize non-productive use of credits and financial aid. More specifically, as concerns Law 1116, the minister referred to the serious problems which have been created by the way in which it is applied. The related inquiry which was conducted confirmed many cases of approvals made hastily and without essential supervision. The inquiry also verified violations of the priority system during examination of the submitted applications. Characteristic of the offhandedness with which Law 1116)81 functioned is that in the month of September--that is, with the Interim Government--approvals doubled in relation to the previous month."

On the part of New Democracy, satisfaction was expressed over the above statement on continuing application of Law 1116)81 and it was declared that "Whatever government seeks an increase in investments, regional development in particular, and wants to draw funds which are abundantly disposed of by EEC for this purpose, can do nothing but end in adoption of basically the same incentives."

According to our information about the government, there is at issue reformation not only of Law 1116)81 but also of all the incentives--that is, those provided on the basis of laws 4171)61, 2687)53, etc.; this must relate to both procedure and the method of evaluating submitted applications for submission to incentives and its purpose will be liquidation of gratuitous allowances to large capital, Greek and foreign, and, mainly, reinforcement of investments which promote: a rapid increase in supply of consumer goods which are presently in shortage; replacement of importing, or increase of exports, for improvement in the balance of payments; and an increase in employment positions.

In the first stage, this reforming will occur on the basis of the priorities of the 1982 investment and productive program (which in essence will be an emergency program for the restoration and swift recovery of the economy) and will be completed in the frameworks of the 1983-1987 five-year program.

Undoubtedly, the government is right to want to review the whole network of incentives (the ND government was preparing for something similar) since, according to common acknowledgement, it is, to a great degree, anachronistic and primitive and distributes money to just and unjust. The existing system certainly has its justification in the need for Greek industry to be guided in the first difficult years of manning it and for Greek products to be aided in "marching" abroad. But this stage must end now and the government is entitled, on the basis of its own strategic choices, to turn incentives toward those branches which are developing new technology, promoting exports, increasing employment, etc.--that is, to those branches whose reinforcement aids the whole economy in realizing the

necessary structural changes. Consequently, incentives will stop being crutches which keep anti-economic and outpaced branches and businesses on their feet.

Therefore, the direction of the incentives reforming is correct. That which is not correct is delaying for long the reviewing work because the confusion and ambiguity which will exist in the meantime will be strong anti-incentives for any investment to occur.

In this sense, the issue of reactivation of Law 1116)81 must end within the next few weeks at the latest. This law, despite its shortcomings (it excessively strengthened certain industrial branches of lesser importance), had two basic advantages. First, it was in a certain way correctly oriented toward the regions and, second, it reinforced (at least theoretically) new industries, that is, operations which were activated for the first time. For this reason also, the old industries preferred tax exemptions instead of subsidies.

Certainly, the impression that "the state distributes free money" also attracted many middlemen without financial resources, but basically it was a sound response to Law 1116)81 which managed to mobilize investment activities first known after 1974. It is characteristic that by the end of September there had been approval for submission to Law 1116)81 of approximately 356 applications, for investments totalling 39 billion drachmas which will create 16,559 work positions. For these investments, subsidies totalling approximately 12 billion drachmas will be paid by the state (in the form of free capital and subsidy of interest).

Consequently, it is necessary for the reforming of Law 1116)81 to happen at a very swift rate so that private investors know the frameworks of their business activity. Reforming of Law 2687)53 must also occur at a very swift rate--despite the thorny constitutional problems which the undertaking presents. The government has proclaimed that it is not going to maintain a negative stand on investments of foreign capital, under the condition that they will bring in advanced technology and will be under essential supervision. It is characteristic from this side that in the first important meeting Papandreou had with a foreign politician, specifically with the vice-president of the parliamentary group of the social democratic party, Horst Emke, he primarily discussed the possibility of obtaining investments from the German side in our country.

Salaries

In the 8 November issue of TO VIMA was published a very interesting report by M. Dimitriou about the income policy within 1982. It is not yet about definite decisions, and the information is derived exclusively from a plan which Finance Minister Drettakis had prepared (whereas the income policy will basically be formulated by Minister of Coordination Ap. Lazaris whose opinion carries weight in the decisions which the premier will make) but it still is indicative of government intentions. According to the Drettakis plan:

1. There will be a cost-of-living adjustment of salaries and wages every three or four months; it will occur essentially in stages and mainly on behalf of low and medium salaries and wages. In fact, it is considered certain that in the first phase at least there will be no cost-of-living adjustment for highly-paid persons.

2. The cost-of-living adjustment, which will begin from 1 January 1982, will be 15 percent because--as written in the same report--a plan, but also a decision, of the Papandreou government for 1982 is for (despite encumbrances from the ND economic policy) the cost-of-living index to be held at levels lower than 15 percent (that is, 50 percent less than in 1981) and, in any case, not to exceed 15 percent.

3. The 15-percent adjustment of wages and salaries will be combined, first, with special increases in the minimum salaries and wages and, second, with appreciable tax reliefs for low and middle incomes. These reliefs will exceed in the first phase the present limits on non-taxable income by 25 to 30 percent.

4. A minimum wage will be designated for every Greek worker or pensioner which will be determined on the basis of two criteria: first, family needs and obligations (protected members, privately owned or non-privately owned home, etc.) and, second, the locality of the home with differentiation in urban, semi-urban and rural areas.

5. One intention of the government is for OGA [Farm Insurance Organization] and TEVE [Greek Craftsmen's and Tradesmen's (Insurance) Fund] pensions to approach those of IKA [Social Insurance Foundation]. For this purpose, in certain cases for pensioners, not only will there be a tax change but also stabilizing sums will be given by the state so the basic living needs will be covered.

6. The government is planning to give increases for 1982, which will approach 30 percent, to those remunerated with the minimum salaries and wages (600 drachmas and 13,000 drachmas respectively).

9247

CSO: 4621/58

PSI'S CRAXI, PS' JOSPIN HOLD ROME PRESS CONFERENCE

PM081005 Rome AVANTI in Italian 22-23 Nov 81 pp 1, 21

[Unattributed report on PS Secretary General Lionel Jospin, PSI Secretary Bettino Craxi 21 November press conference in Rome: "This Is How We Are Working Together for Peace and Justice"]

[Text] "We have recently been mounting a counteroffensive on the subjects of foreign policy." This is what deputy Bettino Craxi, PSI secretary, had to say about the considerable international activity that has characterized the party's action in recent weeks. Craxi gave a press conference yesterday together with French PS secretary Lionel Jospin, who led a delegation of his party on a visit to the PSI. The press conference covered several points, especially the relations that are being established between the parties, the French Socialists' contacts with the PCI, peace, disarmament and security, as well as some economic topics.

"The meetings that ended today," Craxi said, opening the press conference, "are situated within the framework of bilateral relations between the parties, which we want to intensify. We have had an opportunity to make an in-depth study of several issues, especially prospects for building a stable and secure peace and action in support of the people's struggle for the cause of democracy and freedom, which are under threat in various parts of the world.

"We were able to note," Craxi said, "the substantial identity of viewpoints on all the most important issues." Jospin made appreciate remarks about Italy and the Italian people and said he was pleased to note the identity of views with the Italian Socialists on the majority of subjects. He also mentioned his meeting with Pertini. The French delegation was received privately at the Quirinal Palace yesterday morning for a lunch with the president of the republic. "We are honored," Jospin said, "to have been received by President Pertini, toward whom the French people feel respect and esteem, which feelings we would like to convey to him." In answer to a question concerning a possible meeting between [PCI secretary general] Berlinguer and Mitterrand, Jospin said: "Berlinguer will come to France to meet with his counterpart, that is, the PCF secretary general. He will undoubtedly meet also with other figures from the political world, but his visit, if and when it takes place, will be a meeting between two communist party general secretaries." "Craxi added:

"The more socialists Berlinguer meets with, the better." The French Socialists will exchange many experiences with the Italian Socialists on various subjects (agricultural policy, regional decentralization, unemployment) and will take part in celebrations of the centenary of Giuseppe Garibaldi's death promoted by the PSI.

A joint draft resolution on armaments will be presented to the French and Italian European socialist deputies. The two parties share similar viewpoints on the problems of peace. Jospin stressed France's different position from the other Atlantic alliance members, pointing out that, though some assessments might not be absolutely identical, "the position on the balance of weapons in Europe can be identical. We want to ensure," he said, "that this balance survives." The PS secretary general added: "If the parties and young people mobilize for peace and against the deployment of new weapons, this is positive. But we are worried about the existence of missiles already deployed, without an equivalent on the other side." With regard to the so-called "zero option," the two secretaries expressed similar opinions. "There has been talk," Jospin said, "of various kinds of zero option. Sometimes the figure zero appears in all its splendor. It is positive that we hold a shared viewpoint on this problem." Jospin rejected the idea of freezing the situation. "That is not enough," he said. "There is a new situation that profoundly alters the terms of the debate."

Craxi, too, stressed the importance of the opening of the "negotiation chapter."

"It can only lead to further negotiations," he said. Craxi added that "France holds a logical stance because the problems of a nonintegrated system such as France's must be dealt with by the nations concerned. Italy, however, has an integrated military system. We, therefore, request that the European countries, including Italy, take part in the negotiations indirectly and in any case with coordinated decisions. The hope is that the start of negotiations on strategic weapons can open the way to more general reflections on weapons worldwide and on the policy of disarmament." Both secretaries placed great emphasis on the major powers' role: "Many things are changing," Jospin said, "both in the Eastern Bloc and in the West, and many innovations are emerging. We would like to help this evolution to be a positive one."

Craxi announced a number of joint initiatives between the parties, including an exchange of information on experience in decentralization in France and a meeting on "regionalization."

Analyses and meetings are also planned on subjects such as unemployment and relations with the industrial world [as published]. In this connection a conference will be organized in France and the PSI will organize a conference on unemployment on 7-8 December. A seminar will also be held on the training of cadres and the French will help to draft a socialist foreign policy plan to be presented next year.

A special meeting will then be held on agricultural problems at the European level, to formulate agreements similar to the joint document on armaments that the two parties presented in Strasbourg.

POLL GIVES SOCIALIST PARTY ABSOLUTE MAJORITY

Vienna DIE PRESSE in German 14/15 Nov 81 p 1

[Article by Ruth Pauli: "Poll Indicates New Social Democrat Peak; People's Party Under 42 Percent"]

[Text] Vienna--The Austrian Social Democratic Party has again come very close to an absolute majority. According to a new IMAS [Institute for Market and Social Analyses] poll which is still under lock and key, the governing party has again exceeded 49 percent. The Austrian People's Party, on the other hand, appears to have suffered clear losses. Compared to October, it slipped back 3 percent to 41.6 percent.

In an interview with DIE PRESSE, IMAS boss Andreas Kirschhofer confirmed that these figures tend to agree with those that his institute has worked out. In between the improvement of the Social Democrats and the decline of the People's Party is the Austrian Freedom Party, which is more popular than at the time of the national elections of 1979, but this year has seen better results. The alleged figure for the Freedom Party is 7.4 percent.

The office of Karl Blecha, deputy chairman of the Social Democrat Party, is not particularly astonished at this improvement. The Social Democrats do not have any poll figures of their own, but they have sensed the people's positive attitude toward them after the fall campaign, which has just ended.

The most recent gauging of the country's mood causes reserved reactions in the office of the People's Party chairman, Alois Mock. The Freedom Party could not be in such good shape, argues Mock's press secretary Herbert Vytiska. "Their share of the vote is unchanged--6.5 percent." Vytiska refuses to be specific about his own party's counts of People's Party sympathizers. The large opposition party is still above the result of the 1979 national elections (41.9 percent); its downward trend has been arrested.

At the beginning of October, People's Party headquarters passed on to the public reports about a massive strengthening of Mock's party. Of all Austrians polled by the People's Party, 44.7 percent had indicated their preference for it, 48.4 percent for the Social Democrats, and a mere 6.1 percent for the Freedom Party. IMAS figures recorded at the same time were 43.9 for the People's Party and 6.9 for the Freedom Party.

Vytiska does, however, concede a worsening of the position of the People's Party. "We feel the effects of the elections in Styria and in the VOEST." Their own pollster also noticed these swings, but the latter were not drastic.

Vytiska exudes confidence--even if he remains as guarded with his figures as with the voters' preferences--when asked about the success of the People's Party's catchword new direction. "In the last year the Austrian People's Party has increased its economic competence, and a new direction is exactly what large numbers of our people agree with."

9873

CSO: 3103/100

FLEMISH PARTY LEADERS DISCUSS ELECTION RESULTS

Brussels KNACK in Dutch 11 Nov 81 pp 26-31

[Report by Frans Verleven and Johan Struye on joint press conference]

[Text] Brussels, International Press Center, 0047 hours, off the record--Contrary to what this paper had feared, the Antwerp socialists were *not* wiped out. Bob Cools and Jos Van Elewijck, members of the House of Representatives, came Sunday night to tell us that. The socialist Lydia De Pauw-Deveen and the liberal Anne-Marie Neyts-Uyttebroeck can see no definitive arrangement for Brussels coming about before the municipal council elections of 1982, which will come as a deferred second round nearly a year from now. In the small hours of election night we discussed with them and with representatives of all of the Flemish parties what the Belgian voter made clear to his politicians with the surprising figures of 8 November.

Willy De Clercq, PVV [Party of Liberty and Progress, called "Liberals"] chairman: The Christian Democratic family's losses are greater than I had expected. We are the only set that made a tangible gain in all three regions. The PRL [Party of Liberty and Reform] now becomes the second biggest party of French-speaking Belgium, and with our 21 percent we are neck and neck with the Flemish Socialists. In 1977 we had dropped to 15 percent of the voters. In 1978 we won 100,000 votes and 5 seats; today we came up with 180,000 and 6 seats. When liberal standpoints gain this way all over the country, it is not a transient phenomenon. Our present position responds to a fundamental option, certainly in the Flemish part of the country.

Vic Anciaux, chairman of the People's Union [VU]: We had expected the PVV's gains, but not the scale of the losses of the CVP [Social Christian Party], and still less the volume of our own gains. We have definite positions to thank for that. We assigned priority to the principle that work and security for people must come, but at the same time we pointed out the link to constitutional reforms. There is no longer any solution but that the two communities be allowed to conduct their own policies. Thanks to that clarity the People's Union has regained its former position in a scant 3 years. It seems to me that the federalist will has now been expressed clearly enough by the Flemish voters. In today's context it has even become particularly hard to form a central government. I do think it possible that a consensus will come about among the Flemish parties. But without further constitutional reforms with real powers for the regional governments, even after this election we shall still go from one government crisis to another.

[Question] Has the CVP not risen above its normal sociological level thanks to the tactics of 1974 and 1978? Is it not bound to lose the extra votes that it

had all at once now, partly because of a failing party policy?

CVP Minister Gaston Geens: It is not only the figures that make it hard to form a government, but also the positions taken. We had lined up behind a strong program, and we are sticking to it. We were of the opinion that we must give absolute priority to socioeconomic policy. As far as we are concerned, it is possible to govern only in that light. Have we lived above our station? We respect the voter's verdict. And so we are going to close ranks and take a still stronger stand. Wherever we stand, we shall have to be taken into account. The party policy has certainly *not* failed. But our party's profile and what we have had to do in the government, of course, are two different things. We have played strictly according to the rules, but our opponents have not. With the kind of football that has been played the last few years, some of our supporters have blamed our opponents' faults on us. But we are going to take hold again. The citizens have expected us to take the responsibility for the entire national government. We have been in difficulties for years. Consequently, the voter thought that our side did not offer an adequate way out. We have not been able to formulate well enough outwardly precisely what we proposed as a program.

Karel Van Miert, chairman of the SP [Socialist Party]: I would not have thought the extent of the CVP's losses possible, nor that the People's Union would come out at least as strong as the PVV. Although we come from the same coalition as the CVP, we are holding our own. And no poll had predicted the showing made by Agalev [Anders Gaan Leven--an ecological party]. The cards were scrambled not a little. You will not arrive at a stable cabinet any the quicker for it. For the three parties that made gains did so from three entirely different angles of attack. We are holding our own, positively or negatively, because we presented our positions clearly. There was a consistent line in what we said and tried to do in the government and what we announced in the campaign.

[Question] For the first time since the creation of the Belgian state, the socialist family is coming out of the ballot box as the biggest political aggregation in the country, bigger than the Catholics. Would it not be better for the two socialist parties to act together now instead of strengthening their regional profiles? If Spitaels and Van Miert act together, they can lay claim to the post of prime minister.

Van Miert: Decidedly *not*. Relationships from the past no longer fit for the future. There is all too clearly a striving among us for still more closeness than is really there today. The Walloon socialists, after all, took the lead on the federalist theme. For me there is thus no way back to unitarism. After the urgent problems, such as the budget for next year, the coinage, and the coalition that should be formed, therefore; there must very soon be more discussion of the constitutional reforms.

Mark Dubrulle, leader of Agalev: Starting now, the ecological movement is a parliamentary factor; the greens have been recognized as a politically relevant fact. A number of politically homeless people have come to feel at home with us. You have people that are libertarian but not liberal who find a place with us, as well as others who are perhaps integral federalists, but for all that are not Flemish nationalists. You can go on and on that way with us, and that has resulted in an appreciable shift in the percentages. Vague as that may be for a lot of people, we do represent an alternative for them.

Hugo Schiltz, deputy chairman of the VU: This election provides the proof first of all that the operation of liquidating Flemish nationalism failed. If ever the rules of the game have been broken, it was the superfluous election that was brought about in the past to cause the People's Union to break its neck. But we are as strong today as ever before. Draw the lesson from that: that Flemish nationalism is an ineradicable factor that will have to be taken into account. With that I hope we can get a clearer political dialog in Flanders.

Herman De Croo, chairman of the PVV parliamentary delegation: The CVP's loss is to be blamed on its ambiguity, and on the wear and tear of 23 years in power. And *how*. For a whole generation they have been doing a *tour* of all ministries. We are now getting more proportion and a better balance. Besides, we are not only winning our votes back, we are picking up not a few new voters. In 1965 Omer Vanaudenhove, founder of the PVV, doubled our parliamentary representation, but even that pales beside our results today. Study the distribution of the seats among the three traditional families, and you will notice that alternatives are finally possible again. For years the CVP was the only one with any say. It issued the invitations, it asked who wanted to venture out into the world with it. That time is now past. The fact that other voices can be raised and that the CVP no longer has the game entirely in its own hands is to me the most positive result of Sunday's elections.

Louis Tobback, chairman of the SP parliamentary delegation: On this continent, with a few exceptions in the south, there has been a constant trend toward the right in recent elections. That is the case here in Belgium today as well. But even though we are now leaving the government, that conservative trend will *not* turn out to our disadvantage. The fact that for 3 years we have taken positive stands on socioeconomic options or points of foreign policy or defense may not give us any advantage, but we are still standing up. Thanks to that profile. To me the surprise is that the voter opted for clarity. Few would have predicted yesterday that the abstentions from voting would decrease. What do I learn from that? That the voter showed a definite craving for definiteness, which the CVP certainly did *not* possess. We may be standing at the beginning of an evolution; this not an ending.

[Question] Are you alluding to a split in the CVP?

Tobback: That is their affair.

Geens: Anybody that is gambling on that will find himself disappointed.

Tobback: If I had expressed the hope yesterday of a 10-percent loss for the CVP, I would have looked like a fool. For that reason I am not saying today that I am putting my stakes on a split in the CVP. For that is not what I am after; I am interested in a clear choice in politics. I think that we in the Netherlands must choose between a conservative and a progressive policy.

De Clercq and De Croo, in chorus: What is that? Who is that?

Tobback: Between Left and Right. It is evident that there is a difference between your program and ours. In any case the CVP is still the biggest party in Flanders. It must now choose with whom it will govern.

De Clercq: Aha, there the socialists are, again relying on the choice of the CVP.

Tobback: You are not going to choose with whom you will govern after all. Since we are not a candidate to govern with you, there is no choice left for you. The Liberals are surely not going to swallow their program because I will not conclude any compromise on the basis of the liberal program?

De Clercq: The worse beating the CVP gets, the more it has to say? Absurd.

Geens: At best I can only call the SP's results stabilization at the bottom. For years you have been on the elevator going down; now it is impossible to go any lower. The fact that we may have the key in our hands does not alter the fact that other formulas are mathematically possible. Only today you are no longer bound by certain constraints that existed in the past. With no invitation in the direction of anybody here at the table at all, I hereby declare that we shall only move on the basis of our platform. Take it or leave it.

[Question] There has just been a historic rejection of that platform by the people, and you are immediately facing the political environment with decisions again. That is strange behavior; you will make Spitaels think twice.

Gaston Geens: I am not addressing my statement solely to the partner that might want to get on board with us. There is a good deal to refute the charge that we came before the voters ambiguously. We were in a bind on many issues, for no other reason than that the others did not play by the rules. So now we are out of all that. Now we will only play according to our platform.

Guy Verhofstadt, chairman of the PVV Youth Organization: The most important thing is that the citizen, perhaps for the first time in many years, made a definite social choice. The liberal movement has never been so big, and the socialist movement almost never. Between them is the centrist bloc of CVP and PSC [Christian Social Party], which shrank. This is really the first time that the social choice has come to the fore so obviously. Not only between conservative and progressive, for that means nothing to me, but between liberalism and socialism. Moreover, a new line was indicated toward a new liberal alternative. What it depends on now is what the content of the government program will be. What the emphasis will be placed on in it. Whether the CVP is to determine with whom it will govern or not is of less importance. What is more important is whether a real liberal policy will take the place of such a centrist policy. Or an outspokenly socialist one. We are getting the chance of that for the first time because the result is so clear and because the center dropped so much in value.

Schiltz: It is not all that black and white. It would be an intellectual narrowness if only two choices of type of society were possible. Moreover, this is a Belgian way of working. You cannot behave as if the Walloon and Flemish socialism were identical. The Flemish socialism has quite a different face...

Van Miert: A prettier one.

Schiltz: And the PSC, too, has become a quite different type of party from the CVP, with widely differing positions on a number of points. Thus you cannot put all the differing sociological realities on a par, as if you had the political families there for the choosing. For that becomes an abstraction.

Jef Turf, vice chairman of the KP [Communist Party]: The clarity that we have just gotten from the electorate is only clear *against* the current policy. Nobody can doubt that the CVP, as exponent of the government policy, was rejected, but the clarity does not extend in the positive direction. There is no indication in what direction the choice must run. The winners of the election have a great deal in common, but still more on which they differ. What strikes me most is the hesitation of this 8 November. It almost looks like a first round; the country still does not know where to go. A great many questions remain unanswered. What about the budget, employment, defense? Thinking of the demonstration of 25 October, I feel that clarity can be given only by the action of the working class, or, say, in the streets.

Kris Merckx, PvdA [Labor Party] leader: As far as the big parties are concerned, there were no clear alternatives opposed to each other. The core of the matter is still the enrichment of the banks and the power of the holdings. SP and PS [the Flemish and French-speaking socialist parties] devote five little lines in their platforms to this. Just like Willy Claes, Guy Spitaels says that nationalization is neither desirable nor realizable. Not only are the liberals, the RAD [Respect for Work and Democracy] and the People's Union advancing; so are we. In Agalev's success, too, I see a rejection of the capitalist society. But in our view the thing that must constitute the counterbalance to the rightist offensive cannot come from parliament. The labor union opposition in the plants must take that up, it is there that work must be done for the *real* socialist alternative.

[Question] Will 1982, after the uprising against taxes, become the year of the revolt of the unemployed? The streets?

SP Minister Roger De Wulf: Enough sound understanding prevails among the workers; they understand that this world crisis is passing over our heads. They realize that efforts and sacrifices are necessary, and that the Flemish socialists clearly opt for social solutions to our problems. The crisis will not be solved unless it is done under orderly circumstances. I do not believe in riots and uprisings.

[Question] Even after devaluation, after indexing is done away with, after unemployment rises to 500,000?

De Wulf: That will not happen. Those are only forecasts. We can only approach those things if we do nothing about it. We can prevent all that if we take measures.

Schiltz: We can come out of it if a consensus is found, but I am afraid that it is not to be found between the political families across the two communities. I do not believe in a consensus at the Belgian level; I do believe in a Walloon and a Flemish consensus.

Geens: If the solution is to be reached only in the street, why are we still holding elections? But fewer are failing to vote than previously; 8 November confirmed that people believe in parliamentary democracy.

[Question] Can the triumphant liberals not experiment meanwhile with an alternative in the regional governments?

De Croo: I find it hard to accept the notion that representative parties such as the Socialists, the People's Union, and we ourselves [the PVV] are unable to

let each other know where they stand with regard to possible policies. It is well known that there are serious oppositions, but let us start somewhere. Possibly the objectives are not so far apart. The methods differ, but it is hard for me to imagine that we would pass each other by *a priori*. That taboos would prevail. It is only if we do not talk that we give the ambiguous CVP the chance to cast its nets on both sides of the boat.

Tobback: A coalition whose only tie is that it is *non-CVP* does *not* interest me as such. The PVV is not the German FDP [Free Democratic Party]. It has no Rudolf Augstein in its ranks, unfortunately, but it does have a Frans Josef Strauss. For all Flemish and indeed all Belgian parties this election must have put an end to the syndrome of the CVP state. It is over with that obsession. On Sunday the CVP ceased to exist as dominant party. It is now in the position that the PS [Socialist Party] has been in for years in Wallonia. Nor do I wish to restore it by patching coalitions together on a hodgepodge of programs. There are contradictions between the programs of the Liberals and the Socialists. Unless you swallow your Liberal model of society, which even I would deplore, I do not see how we can find a *modus vivendi*. But if the CVP comes to me tomorrow with the program of its ACV [Confederation of Christian Trade Unions], I can go along with that. If it comes to me just with its Leo Tindemans, however, I cannot. Consequently, I am waiting to see what the CVP comes forward with, for there really is a potential in that party that I could get along well with.

De Croo: Like the unicorn, you lay your head in the virgin's lap and leave the choice to her.

Tobback: I am leaving no choice at all to the CVP. I want to see first what shape it shows itself in. I admit that I naturally run the risk that its color will run.

Schiltz: Two options can be distinguished. Verhofstadt wants to go forward with a sort of ideological unitarism; I would rather try via the sociological reality. For the time being those are the policy levels at which something can be done that makes sense. For we must make very quick work of employment, of finances. I see the sound, effective policy levels on the plane of the provinces, the municipalities, the regions. *Not* the central state, for this election has left it powerless. Making a coalition for the whole of Belgium with the present distribution of seats is like our children's Japanese cube.

De Croo: It is the Hungarian cube, and I can put it together in 90 seconds.

Dubrulle: Anybody that thinks about concrete items, e.g. employment, will immediately find an ally in us. You go on and form governments; we are starting right now with the municipal council elections.

8815

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SOCIAL CHRISTIAN PARTIES PONDER ELECTORAL DEFEAT

Brussels LE SOIR in French 12 Nov 81 pp 1, 2

[Article by G. Duplat and J. Van Hoorebeke "Post Mortem on Staggering CVP-PSC Defeat"]

[Text] Both in the CVP [Dutch-Speaking Social Christian Party] and the PSC [French-Speaking Social Christian Party], the time has come to count those who remained steadfast through last Sunday's electoral tempest. Who is to blame? What is the next step, tomorrow, and after that? On the Flemish side, there was surprise and anguish at the dimensions of the electoral defeat, which it was figured would hit its "little brother," the PSC, hardest. On the Franco-phone side, backbiting and recriminations have been averted, and a patient analysis of the causes of the decline is under way. Put to the test--in varying degrees--by the "opposition cure," the Social Christian political family must above all avoid seeing its forces consumed by adversity....

The CVP's defeat was most resounding right in the home district of President Leo Tindemans--"the Belgian who is the envy of Europe"! In the Anvers district alone, the CVP lost no fewer than three House and two Senate seats. Among the "victims" were one of the standard-bearers of the party's left wing, Tjil De Clerck. Tindemans is now being criticized for having "decapitated Martens" and constantly finding fault with Mark Eyskens. The CVP president himself is a subject of open controversy within the party. Some still cherish the hope of seeing him leave for an EEC post.

At Gand, Mr Wilfried Martens, thanks to an unprecedented personal publicity blitz, was more resilient: He lost only one seat. In other administrative districts, important personages were not reelected: Dries Lagae, one of the leaders of the "Boerenbond," was not elected in Louvain. In Brussels-Hal-Vilvorde, Eric Van Rompuy, the "bad boy" of the "CVP Youth," who seemed sure of getting a seat in the House, is back to square one! He is not hiding his deep disappointment.

"We have lost at several levels," he told us, "and first of all at the level of the communities. We did not show ourselves to be pro-Fleming enough. This gave a boost to the Volksunie. On socio-economic issues, despite our "JET [Youth, Economy, and Future] Plan," a "take it or leave it" affair, we were not able to make ourselves credible. This gave a boost to the liberals. Finally, there was the youth vote, the votes of the youngest and most individualistic, who reject all institutions and

group the CVP with "the establishment." They reject all tradition and have locked themselves into a policy of standing aloof," Mr Van Rompuy seriously fears that this portion of the electorate has been irretrievably lost to the CVP.

To Remain in Power

The "great question" the CVP faces at this time, we learn from other sources, is whether Belgium should retain its present institutional structures. The extremism of Volksunie, which is calling for the creation of a Flemish state, can no longer be ignored, they add.

A strong faction within the party is urging going into the opposition as a cure for its electoral weakness. But others, led by ex-prime minister Wilfried Martens, believe it is preferable to remain in power, and they dream of forming a government with the liberals. In that regard, we have been assured that negotiations began the day after the balloting! The faction favoring participation at any price fears among other things that the party will disintegrate if it is in opposition. "If we do not get in the new government," one leader reportedly said, "the party may destroy itself!"

The PSC: Victim of "Families"

The PSC's dramatic defeat leaves party limitants literally overwhelmed. More than 130,000 voters deserted it, most of them apparently to join the liberals and the UDRT [Democratic Union for the Respect of Work]. The PSC has lost seven house members and four senators, nearly one-third of its parliamentary representation. Among the defeated, moreover, are to be found the head of the House [party] group, Raymond Langendries himself, who--too young to be given a fresh start in the Senate--finds himself without a seat.

What is even worse, the PSC is excluded from the French Community Executive, whereas under the most recent government it presided over it. The Social Christian "family" will no longer get to vote on all the decisions involving "personalizable" issues, as ideologically sensitive as such issues are. We note, finally, that the defeated deputies are all Christian Democrats and bereft of "family," even though it was the "Rightist" voters who left the party in greatest numbers.

What caused such a tornado, who bears responsibility for the defeat? The party's executive committee, which met Monday afternoon, has not really begun the analysis. Recriminations have at least been temporarily averted.

The "grass roots" composed in part of the "foliage [fronde]" of district presidents would like to set up a study group to assess the meaning of the vote, a group that would be composed of both candidates and noncandidates. But that idea has not caught hold...for the time being. The insurrection [fronde] may continue.

Four Causes

Four causes for the PSC defeat can be discerned:

1. The wear and tear of incumbency, mentioned above.
2. Ambivalence and contradiction. Its last year in the government was dramatic in that regard. The Floreffe congress had laid out a PSC economic and social program, but the voters had the impression that very little of that program could be seen in the running of the government.

In addition, the PSC acted indecisively and without a coherent strategy. It did not fight forcefully for its ideas. That "softness" had already been criticized in June at the two special executive committee meetings devoted to revitalizing the party. But it was in vain. In August, when the budget had to be drawn up, the PSC knuckled under. Several ministers were ready to give up their position on the government team rather than yield, but Mr Vanden Boeynants prevented them from doing so. It is ironic to note that it was the ministers most determined to resign who received the most votes in the elections (Maystadt, Wathélet).

In August and September, still under pressure from the district presidents, the PSC did try to change its spots, but it was too late. More seriously, instead of itself choosing the best issue to bring down the government--indexing or the budget--it allowed itself to be maneuvered by the PSF. Mr Vanden Boeynants and some of the PSC leadership clearly bear some of the responsibility for these tactical mistakes.

3. The family system. CEPIC [Political Center of Independents and Cadres], composed of "orphaned" Christian Democrats, ruined its own reputation with suicidal enthusiasm. At Tournai, in the Walloon area of Brabant, and even at Liege, when it saw itself disadvantaged by its placement on the parliamentary voting lists, CEPIC did not even campaign for the PSC. The presence of three Christian Democrats in alliance with the CSC [Confederation of Christian Trade Unions] at Coronmeuse, Noel de Burlin's anti-immigrant campaign, which was condemned by his fellow candidate Edouard Pouillet, who himself had adopted an "anti-party" slogan, were so many signs of centrifugal tensions within the PSC.

4. The campaigns waged in recent months against "collusion" between CEPIC members and the youth front only added to the PSC's image problems.

What To Do?

So what can the PSC do now? Monday, nearly all the members of the executive committee opted for going into the opposition. The PSC wants to get out of the hot seat and let the others shift for themselves.

A congress may be held in the near future in order to try to create a new image for the party, and Mr Vanden Boeynants may well put his presidency of the party on the line. Gerard Deprez, the PSC's political secretary, might try to succeed him.

9516

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LABOR BENEFITS BY DECREE: PROS, CONS

Council of Ministers Communique

Paris LE MONDE in French 20 Nov 81 p 12

[Article: "The New Social Policy"]

[Text] The employment situation is necessitating the adoption of important measures of a legislative nature.

But the crowding of the Parliamentary agenda and the concern to enable the Assemblies to have enough time to examine the dossiers on decentralization and the nationalizations do not permit one to foresee votes on these measures in short order.

The Council of Ministers has therefore decided to submit an orientation bill establishing the principles of the new social policy: the length of the work week and paid holidays, the retirement age, holding pensions and jobs cumulatively, solidarity contracts, etc.

This bill, which will be proposed for examination by Parliament during the present session, will enable the government, in conformity with Article 38 of the Constitution, to take by ordinance the technical measures necessary for rapid implementation of the provisions adopted by the Parliament.

The empowerment asked by the government will have a doubly innovative character:

--on the one hand, it is the legislature itself that will fix the broad outlines of the content of the ordinance, and consequently, the limits of the empowerment;

--on the other hand, the ordinances will be prepared in close concertation with all of the social partners, who will thus contribute to the preparation of them.

Additional Details; Commentary

Paris LE FIGARO in French 19 Nov 81 p 8

[Article: "Four Sectors of Application"]

[Text] Retirement at Age 60: Few Involved before 1982

Retirement at age 60 is an old slogan of the left. When they arrived in power, the Socialists very quickly decided to take concrete action. At the request of Pierre

Mauroy, Nicole Questiaux began, on 25 June, the discussions with the social partners. At the same time, she came to realize how complex the whole matter was and how unenthusiastic her interlocutors were. In effect, it emerged very quickly that the system of voluntary early retirement set up by the employers and the trade unions, and valid until 1983, remained more advantageous to its beneficiaries than retirement at age 60.

The fact is that early retirement ensures to the person who decides to voluntarily cease all job activity a guarantee of pay up to age 65 and equivalent to 70 percent of his last gross pay. Moreover, during this period he continues to accumulate, as if he were working, supplementary retirement points that will be used in calculation of his pension when the time comes.

First Problem

In moving the legal retirement age ahead by 5 years, the government would ensure to the wage-earner only a base pension equal to 50 percent of pay (50 percent of ceiling pay, or a maximum of Fr 2,860 per month). In order to reach a pension level close to the present pay guarantee, it would be necessary for the complementary-retirement systems operated by the social partners to grant them also full retirement at age 60. This is the first problem. But in any case, the total pension would remain lower than what it is today at 65, since these plans function by a point system and it is out of the question to "validate gratis" the 5 years not worked between 60 and 65. This logic has not escaped the trade-union organizations, which have all reaffirmed their adherence to this contractual system.

After discussions, Nicole Questiaux nonetheless worked up a draft bill which has not--far from it--gained the adherence of the partners. She would propose that right to retirement--in the initial phase, only the wage-earners' basic regime is involved--be a function of a double condition: age and duration of coverage. The age would effectively be lowered from 65 to 60, but the duration of coverage required would be raised from 35.5 years to 40 years. Thus, only those wage-earners who began contributing to the system before age 20 could take this retirement. In practice, all management staff would be excluded from it. On the other hand, a system of allowance points would enable those who do "exhausting work" or who do a "double day" (mothers with children or single fathers) to go on retirement at 55.

The figures relating to the bill are being worked out. All that is known is that at present, 71 percent of men and 56 percent of women at age 60 have 40 years of working life behind them. Therefore these people theoretically fulfill the conditions to qualify for the rights. But only 30 percent of them have a total of 40 years of /paid/ work to give them the right to a full pension. For all the others, and until the system for non-wage earners falls into line, provisions will have to be made, failing which the chosen few will be only the 30 percent. Meanwhile, so long as the pay guarantee exists, it is hard to see who would choose retirement at 60 with 50 percent or even 60 percent of ceiling pay rather than early retirement with 70 percent of last pay! In the immediate future, therefore, the bill would be of interest only to the government employees who do not have civil-service status or who work on contract and do not have a right to early retirement.

With Back to the Wall

In reality, Nicole Questiaux's bill, which deals only with Social Security old-age insurance, must have the effect of putting the social partners' backs to the wall:

before 1983, they will have to choose either an extension of the pay guarantee or retirement at 60 within the complementary regimes. The former has the advantage of being a mechanism that is suited to the current situation, is flexible, and can be modified in function of the demographic outlooks or of employment. The latter represents "durable social progress" that nonetheless presents the risk of costing the active working people of 1985, and--all the more--those of the year 2000, a lot when the numerically large age groups reach retirement age.

Job-Plus-Retirement Cumulation: the Trap

The bill for retirement at 60 is aimed at a double objective. First of all, a social-progress objective: to enable the workers who have the longest working lives to stop working earlier than they can today, without lowering their pension level.

Secondly, an employment objective: the aim is to make the maximum number of jobs available for young or unemployed workers. In this perspective, the government wants to limit "abusive" cumulations of a job and a retirement pension.

In Nicole Questiaux's view, cumulation is "abusive" in two kinds of situation: when it is connected with the exercise of an early-retirement right "based on a presumption of work exhaustion"; or when the income derived from work activity makes all or part of the pension superfluous." No precise income level has been specified yet.

The CGT and the CFDT have proposed the amount of 1.5 times the SMIC [Interoccupational Minimum Growth Wage]. It seems that in the Ministry of National Solidarity, this ceiling is considered a little low. Whatever amount is finally decided on, will it be the same for a bachelor as for a father who still has dependent children? That is the first question.

Diabolical

Second question: while in the present employment situation it may appear logical and moral to want to limit cumulations, the objective does not seem to be to keep a police watch on every pensioner either! A prohibition against cumulation already exists for those unfit for work, for veterans, and for workers on early retirement, for example. Those involved are subject only to a declaration on their honor. Is a more effective check possible, and isn't there a risk that "under-the-table" work will grow? While in the first phase the bill for retirement at 60 involves only wage-earners, the provision on cumulations should quite obviously apply to all the schedules. If it did not, military personnel, for example, could calmly continue to combine their pensions with paid work. And a former wage-earner could combine his pension with a work activity for which a wage is not paid.

Solidarity Contracts: Two Signatures...

The solidarity contracts were launched by Pierre Mauroy on 15 September, in his speech on the occasion of the reconvening of the Assembly. At that time, the prime minister expressed the hope of creating about 100,000 jobs for young people or for unemployed workers by granting financial aid to those enterprises which, by means of a new organization of work, would create permanent jobs (in the form of contracts with an open-ended time limit).

A month later, on 15 October, Jean Saint-Geomes was assigned the mission of fighting the battle against unemployment to a successful outcome--in particular, to make solidarity contracts known and get them signed. The conditions for benefiting from such contracts were known at the time. There are four of them:

--when the wage-earner agrees to go on retirement at 55, if he is replaced by a young person or an unemployed worker he will have the right to the pay guarantee and will receive 70 percent of his wage;

--when a wage-earner between 55 and 60 goes onto half-time work only, and again on the express condition that his semiretirement corresponds to a job opening, he will receive 80 percent of his pay: 50 percent paid by the enterprise and 30 percent by the state;

--when a firm reduces the work week sharply (more than 3 hours per week before 1983), the jobs thus created will be exempt from social contributions for a year or two;

--when a firm takes on an unemployed worker, it will be possible for him to collect from the ASSEDIC's [Associations for Promotion of Employment in Industry and Business] the equivalent of the unemployment benefit. The duration of the payment will then be in inverse proportion to its amount: long for an unemployed person at the end of his entitlement period, and shorter for someone laid off for an economic reason.

Tour of France

The prime minister then undertook a tour of France to explain these mechanisms. But as of today, only two contracts have been signed: one with the municipal administration of Gueret (providing for reduction of the work week to 37.5 hours and the creation of 40 jobs), and the other with the municipal administration of Lille. This latter contract provoked a lively reaction from certain trade unions which are contesting it.

In addition, some 15 firms are in talks on the subject, but it is unlikely that anything will come of them sooner than 3 or 4 months from now.

The fact is that the procedure is extremely complex.

On the one hand, the enterprises, after obtaining the judgment of the local employment committees, have to negotiate the contracts with their trade unions, because such contracts may run counter to the wage-earners' working and pay conditions. Such consultation inevitably takes a very long time.

On the other hand, the financial arrangements are still not defined. Thus, in some cases the state proposes to take the social contributions on itslef. Only a new law can give it this right. Dropping to 55 the age for entitlement to the pay guarantee also requires a law.

The Work Week: Only One Branch Agreement

The subject of the length of the work week was opened up exactly 3 years ago on the initiative of the CNPF [National Council of French Employers]. The employers

proposed to the trade unions an agreement that would reduce the work year from 1,920 hours to 1,816 hours in exchange for reciprocal agreements and better use of time.

Negotiations soon started, punctuated by various vicissitudes until the statement of disagreement in July 1980. The presidential election campaign was to reopen the debate. In his program, Francois Mitterrand indicated clearly that he wanted to have the means for going toward the 35-hour work week.

Reduction of the work week thus received a new legitimacy. First of all, it was no longer the response to a social aspiration. It was presented officially as a preferential means of combating unemployment.

People Less, Machines More...

Since the victory of the left has dealt a new hand, the Socialist-Communist government is putting the negotiations back on track. The dialogue was started up again at a solemn session under the chairmanship of the prime minister, Pierre Mauroy. Furthermore, he granted the validity of a number of the employers' concerns and admitted, for example, that if people work less, the machines have to be able to work more, and the services be open to the public for longer hours.

Finally, on 17 July, after a marathon session worthy of great social negotiations, the partners reached a national interoccupational agreement, providing in particular for reducing the work week from 40 to 39 hours, generalization of the 5th week of paid vacation, an annual block of overtime not subject to authorization by the Labor Inspector, as well as measures permitting better use of equipment (weekend contracts, night work, overlapping work teams, etc). The specific modalities were to be defined at the level of the occupational branches (within the letter and the spirit of the protocol," with the possibility of arriving at a work week shorter than 39 hours, in exchange for additional counterparts. Two organizations refused to sign: the CGT, on the trade-union side, and the CGPME [General Confederation of Small and Medium-Sized Businesses] on the employer side.

Since then, discussions have been started in almost all of the 100 occupational branches. So far they have resulted in only one agreement, in the sugar industries (15,000 wage-earners).

A Leitmotiv

But a few days ago, the chairman of the social committee of the CNPF, Yvon Chotard, declared that he wanted to remain optimistic. Among the employers, as well as in the Matignon, for that matter, similar analyses were made, stressing that "at the end of the game the negotiators (employers and trade unions) will play their last cards and it will thus be possible to reach agreements." But for the last several weeks, the social climate has got heavier. Reduction of working hours is a demand that has appeared in or been grafted onto most of the conflicts: incidentally at Renault and Peugeot, but as a basic cause of the strike movements in the banks and savings-and-loan associations. The 35-hour week has become a leitmotiv, and the trade unions have manifestly tried to put on the pressure at the level of the enterprises.

The negotiators were scheduled to meet again on 1 December to draw up a balance-sheet of the negotiations, before meeting with the prime minister, as planned a long time ago.

Mauroy Explanation

Paris LE MONDE in French 20 Nov 81 p 8

[Article: "'It Is a Matter of Responding to the Legitimate Impatience of the French and to the Urgency of the Situation,' the Prime Minister Declares"]

[Text] Commenting on the decision taken by the Council of Ministers in the morning, Pierre Mauroy declared in the evening of Wednesday 18 November:

"The No 1 mandate that the French gave to the president of the republic and to the government is the battle for employment. The French are impatient. The government and the Parliamentary majority too.

"Implementation of the measures in favor of employment that I announced on 15 September requires that certain laws be passed. Traditionally, the autumn session of the Parliament is devoted to the budget. In addition, the government's desire for reform has led us to initiate discussion of some essential texts, such as decentralization and the nationalizations. The government further hopes that they will be passed before the end of the year, as well as other important proposals such as the 2-year plan and the law on rent control.

"Never since 1936 has such a legislative program been implemented so fast.

"But the French are also awaiting measures to change their daily lives: reduction of working hours, lowering of the retirement age, the 5th week of paid vacation.

"These measures, which result in a new distribution of labor, are also indispensable for winning the battle for employment. Furthermore, they will be supplemented by limitation of cumulation of a pension and a job, and implementation of the solidarity contracts.

"This is why the government is proposing to the Parliament the adoption of a social orientation law. Thus the members of Parliament will be able to declare themselves clearly on these various measures between now and the end of the year.

"For implementation of them, the government is asking them, in order to speed up the procedures, for authorization to take the necessary technical measures by ordinance.

"This quite simply involves application of Article 38 of the Constitution. It has already been used 15 times since 1958, for more than a hundred ordinances.

"It is a matter of responding to the legitimate impatience of the French and to the urgency of the situation. It is not a matter of stripping the Parliament of its prerogatives.

"The empowerment law will contain precise guidelines, the principles that the government must adhere to will be clearly stated, and the content of the ordinances will be prepared and discussed with all of the social partners.

"With respect for the rights of Parliament and for social discussion, we are providing ourselves with the means for acting fast.

"It is well understood, and I stress it, that this procedure is limited strictly to the measures contained in the social-orientation law. Reform of Social Security, reform of radio and television, and extension of the rights of workers, for example, will be adopted in accordance with normal legislative procedure."

Labor Minister Comments

Paris LE MATIN in French 20 Nov 81 p 7

[Interview by Laurent Carenzo with Minister of Labor Jean Auroux: "Jean Auroux: 'There Is a Time When Decisions Have to Be Clear-Cut and Rapid'; date and place not given]

[Text] In an interview with LE MATIN, the minister of labor justifies the recourse to ordinances and hopes for a new distribution of roles as between law and regulation.

Jean Auroux, minister of labor, will be in the front line in the implementation of the ordinances announced on Wednesday at the conclusion of the Council of Ministers meeting. In an interview with LE MATIN, he pleads for efficiency and speed in execution of governmental decisions.

In his view, employment being the priority of priorities, it is indispensable to find the means for taking action rapidly, so as not to deceive the expectations of the French. There is no question, in doing so, of challenging contract policy or of doing any injury to Parliament's role of control. Nevertheless, and again in the name of effectiveness, Jean Auroux asks questions about a new distribution of roles as between the law and governmental decisions. In a troubled world, he essentially says, one should be able to act fast.

[Question] The government has just decided to take action, as regards employment, by means of ordinances. What is the justification for this emergency measure?

[Answer] A number of commitments had been made by the government at a time when the evolution of Parliamentary work, the Parliament's work load, were not properly evaluated. I would say that a certain confusion had taken root in people's minds: the fact of having an absolute majority should have resulted in very fast passage of laws. But the procedures of Parliament are very heavy and there are time-periods that cannot be compressed. There has been an equivocal state of mind that has made people think that such a large Parliamentary majority must somehow cancel out the constraints of time. We became aware that the rhythm of Parliamentary work could not be modified.

In the face of this relative slowness the development of the number of job-seekers seemed rapid. There was a sort of inadequacy between these two rhythms that have acquired different speeds--on the one hand, Parliamentary procedures that followed, if I may say so, their "senator's pace," and on the other, an evolution in the area of employment that was occurring at quite a different pace. We were confronted with the paradox that the desire of the government, of the members of Parliament, and in a word, of a majority of the French of 10 May, was not being translated into legislation and therefore into implementation. So by the ordinances, the rhythm of the reforms is being made to conform with the necessities of today.

[Question] With such an abrupt procedure, don't you fear that you are short-circuiting the negotiations on working hours and dealing a sharp blow to democracy and to contract policy?

[Answer] It is true that if we made an ordinance such as those that have been made previously, one might fear what you stress. But the way in which we are conceiving the carrying-out of this operation and the working-out of the decisions has the effect of making it a process that retains its democratic dimension. Essentially technical provisions are involved here. In 1936, when there was the 40-hour law, most of the concrete provisions were made by decree.

Furthermore, the substance of the ordinances will be prepared and voted on by the Parliament. There will therefore be Parliamentary control. The objectives will be voted on by the Parliament: 35-hour work week in 1985, with each going at his own speed and with 1987 constituting the first phase. The concrete implementation, the technical modalities, will be entrusted to the government, which will make them its business. Without distorting the objectives, which are up to the legislative branch. The Parliament will in a way give the government a mandate to implement the political choices that it will have defined. Furthermore, we will take into account, in working out the ordinances, the state of progress of the negotiations.

I have the very deep feeling that we are reconciling the necessities of effectiveness with those of democracy. Contract policy and social discussion will have their full places in the arrangement. What is being implemented is a different form of ordinance. It is not a decree-law or a royal fiat. This leads us to raise the question of the content of the laws--or more precisely, of their level of precision. Should laws be made that go into a lot of detail? Or to put it another way: in a troubled world that is constantly evolving, shouldn't one envision, in the very interest of the Parliamentary system, seeking the level of definition most suitable for reconciling economic and social effectiveness with the legislative expression of the Parliament's political will?

[Question] As regards the work week, are you going to interfere in the negotiations?

[Answer] Not at all. The more signed agreements we have, the more will the ordinances be able to take into account what the partners will have worked out and decided on. This will be particularly operational, and it will avoid the risk of the legal void that the work-week agreements presently under negotiation appear to have been in.

[Question] With this procedure of yours, aren't you saving on Parliamentary debate with its risks of upbidding by certain Socialist and Communist deputies? And aren't you also giving the employers a sort of gift?

[Answer] The problem of upbidding should not be exaggerated. The deputies who visit in their districts know that certain enterprises can digest a 38-hour week while others cannot. In our system, we can reply to stronger demands. Between the 40 hours of today and 35 hours in 1985, there is a place for intermediate positions by way of solidarity contracts. I have a weakness for thinking that a lot of people will find them to their advantage. The employers will effectively know the rules of the game without the ups and downs of a debate in Parliament, and the

trade-union organizations will have the foundations on which to put forward their demands. One should not exaggerate the difficulties that could be encountered. Remember the grounds for uneasiness that some people nourished at the time of the debate on energy. I believe there is a time when decisions have to be clear-cut and rapid.

[Question] Doesn't this procedure mean, in the last analysis, that the change in the actual lives of wage-earners will be later in coming?

[Answer] It is true that for the wage-earner, in his daily life, the change has not always been perceived in a very concrete manner. It is true that a number of the French have been turned off by some debates on fundamental questions (death penalty and nationalizations) while they had expectations of a more everyday nature.

[Question] Has the impatience of the wage-earners that could be perceived through the social conflicts played a part?

[Answer] In such a decision, all the parameters come into play. There is less an impatience than an expectation and a certain lack of comprehension in the face of certain delays. The workers say: "Everyone agrees about the objectives and nothing is happening." Imagine that the first of January comes with agreements signed but without its being possible to implement them. That is when contract policy would be in danger.

[Question] Finally, is it true that it is only for the Auroux report that there is no urgency?

[Answer] That is not true. For me, the sooner the better. The fundamental urgency today is employment. And the unemployed would find it hard to understand if new rights are given to an employed population that is decreasing. First of all, give work, and then give new rights to the employed. That is the logic of our priorities.

Deputies Comment

Paris LE MATIN in French 20 Nov 81 p 6

[Article by Nicolas Domenach: "'It is Valence Which is Continuing the Ordinances'--The Opposition Condemned the Government's Decision Yesterday"]

[Text] A gift! For the deputies of the majority as well as for those of the opposition, the government's decision to have recourse to ordinances appeared--after the shock of surprise--as manna from heaven. For their different reasons, obviously. The Socialists and the Communists considered that in any case, they would watch to make sure that Parliament is not really dispossessed, and that in view of the work load and blockage by the opposition, it is the only way to make progress fast in the direction desired by the voters. The RPR and UDF deputies, for their part, found it a deeply desired opportunity to get out of the torpor of the budget debate and to denounce "an irregular procedure, a proof of the weakness of a government unsure of its majority."

This recourse to ordinances made the corridors of the Palais-Bourbon tremble again yesterday. A trembling kept up by the opposition, which does not intend to let pass this "opportunity" to go back on the offensive. Thus the RPR group's steering committee met yesterday morning to "prepare the counteroffensive on the basic issues." For it will be a matter both of setting out social counterproposals and of denouncing the procedure employed, which, according to Claude Labbe, chairman of the group, "can be the doing only of a government unsure of its majority."

All the RPR deputies spoke out on this theme. Thus Robert-Andre Vivien: "It is a smoke screen for avoiding having to wash in public the dirty linen of their internal opposition with the PCF and within the PS." And the UDF deputies were not idle. But they added, as did Jacques Blanc, secretary general of the PR [Radical Party]: "The government is panicking in the face of the disarray of public opinion and the foreseeable failure of its policy." Bernard Stasi, delegate chairman of the CDS [Center for Social Democrats], joined in; "It is Valence which is continuing the ordinances. After the verbal vehemence, now we have the constitutional excesses." He denounced, as did Olivier Stirn, the "contempt" in which Parliament was held. Jacques Toubon (RPR) put it this way: "The government is applying methods that it has denounced, because it is not succeeding in making Parliament function by the revolutionary procedure that it wants to establish." And while both sides are preparing to bring out again the statements by representatives of the left against the ordinances of 1967, they are also intending to do everything possible "in order for the Parliament to play its role in social matters."

That Parliament should not be reduced to being only a decorative object is also the concern of the Socialists and the Communists. For the latter, "this recourse to ordinances can only be an exceptional matter." But the government has been "forced into them by the repeated maneuvers of the right." "The opposition's obstructionism," added Francois Loncle (PS), "has prevented us from sticking to the calendar." Both sides declared they were somewhat solaced in view of their "killing" work load, according to Francoise Gaspard (PS). All the more so in that there is "urgency," they repeated in chorus: the voters had declared themselves.... "This procedure was necessary," concluded Louis Mermaz, president of the National Assembly, "if it was desired to implement reforms rapidly."

But all hoped, as did Claude Evin, chairman (PS) of the Cultural Affairs Committee, the Parliament would express its opinion in the debate on the orientation of the law. We will be "vigilant," they assured. All the more so in that the opposition is indeed intending to wage a "battle of the ordinances" in Parliament.

The Political Reactions

PCF: "Yes, as an Exception"

The Communist group in the National Assembly yesterday declared it is favorable to the government's decision to have recourse to ordinances, but on an exceptional basis. It hopes "that the social measures on which the majority has committed itself to the voters will be decided on in the shortest possible time," and asks that the trade-union organizations and the committees of Parliament be consulted.

LCR [Revolutionary Communist League]: The Content Should Be Clear"

For the LCR, recourse to the ordinance procedure "should correspond clearly to the will of the workers." "That is why," the LCR stresses, "the content of the orientation law that will serve as a basis for the ordinances should be clear, especially as regards the 35-hour week without any counterpart."

PS: "The Response to a Demand"

The government's decision corresponds to "a pressing demand by the group," Claude Estier, the Socialist group's spokesman, declared in the National Assembly yesterday. After great reforms such as decentralization and the nationalizations, "the group," he added, "strongly hoped that measures affecting the daily life of the French will be taken before the end of the year. Under these conditions, there were no other means than to have recourse to ordinances."

CFDT, FO, CFTC, CGC Comments

Paris LE MONDE 20 Nov 81 p 9

[Article: "The Trade Unions Express the Greatest Reservations"]

[Text] The government's decision to fix the principles of its social policies by an orientation law and ordinances is arousing the greatest reservations, even hostility, among the trade unions.

Thus the CFDT declares that it "has always been opposed to recourse to ordinances, because they take the national representation's prime prerogatives away from it." It goes on: "The CFDT therefore maintains its reservations in principle with regard to this procedure. It stresses the risks and the limits of the practice proposed: on the one hand, there is the danger that this exceptional procedure could be repeated, and on the other hand, because of the importance and complexity of the questions involved, the content of the provisions may suffer from the lack of a necessary confrontation. The CFDT consequently asks that the orientation law, which is to be passed by the Parliament as the government foresees, should fix precisely the objectives which the ordinances are to express on the technical level."

The FO [Workers Force], for its part, "regrets that the Council of Ministers took its decision without prior discussion." But it "takes note of the government's desire to conduct the necessary concertations in order for the social partners to be able to contribute their opinion before the publication of the ordinances."

The CFTC, for its part, stresses that it has "always preferred negotiated settlement of social problems on a basis of equality between employers and wage-earners, rather than by governmental decisions, which are necessarily more general and less well-suited to the particular situations." It adds, though, that "discussions with the employers on subjects such as the work week, wages or retirement are extremely laborious. To the extent that negotiation no longer leads to positive results, the CFTC issues a warning against the prospect of authoritarian and hasty decisions that run the risk of satisfying no one."

Finally, for the CGC [General Confederation of Managerial Personnel], "the government is again counting on taking, and getting Parliament to take, hasty decisions

concerning fundamental problems of our society. If there is an area in which discussion with the social partners should be conducted to the maximum, it is indeed that of social protection and that of the work week. Nor may the nation's elected representatives be excluded from this debate by the ordinance method."

As for the CGT, it is reported to be reserving the right to make its point of view known later.

CGT, CNPF, PME Reaction

Paris LE MATIN in French 20 Nov 81 p 6

[Article by Pierre Morville: "The Social Partners: No General Outcry, but...--the CNPF Considers that Concertation Will Not Be Jeopardized by the Government's Procedure"]

[Text] The CGT, the CFDT and the CNPF have taken time to think before commenting on the recourse to ordinances. On the whole, prudence seems to dominate the statements of position. The CGT and the CFDT reaffirm the necessity for debate and confrontation among the social partners. Yvon Chotard, for the CNPF, takes this concern into account, but does not want to judge "a method of government that is constitutional."

Yvon Chotard, vice president of the CNPF, stated at Melun yesterday, before a number of employers, the CNPF's position on the recourse to ordinances.

The employers' organization did not want to react immediately to the decisions of the Council of Ministers. But the details given throughout the day yesterday seem to have reassured the leaders of the CNPF. The CNPF does not in any case want to get into political polemics. Yvon Chotard said in substance that it is not up to the CNPF to make a judgment about the use of a method of government that is constitutional.

In the employer leader's view, the ordinance procedure should, however, favor concertation and negotiation among the social partners. The detailed statements by the minister of labor, Jean Auroux, have been well-received by the CNPF. In effect, the ordinances will not come into play before the end of the negotiations on work hours.

--The General Confederation of Small and Medium-Size Enterprises does not share the CNPF's optimism. In its view, "the decision to have recourse to ordinances breaks the concertation that the public authorities were claiming to be developing among the social partners. It establishes an extremely dangerous process of acceleration of the difficulties of the enterprises." The owners of small and medium-size enterprises consider that it amounts to a demagogic operation by the government, "a Christmas present to the wage-earners" which it is not yet known who is going to pay for.

--The CFDT recognizes that it was certainly necessary to have recourse to the "exceptional device of ordinances" in view of the delay built up on certain major projects. But the CFDT leaders consider that the government has a certain responsibility "for the encumbering of the debates in the National Assembly." It is, in fact, Pierre Mauroy who has fixed "the order of priorities." The CFDT is maintain-

ing its reservations in principle on the procedure. The procedure used, according to the CFDT, "may, because of the importance and complexity of the questions involved, suffer from the lack of a necessary confrontation." In order not to give too much latitude to the executive, the CFDT asks that "the orientation law passed by the Parliament fix precisely the objectives which the ordinances are to express on the technical level."

--The CGT considers that the government is partly in the right: "There are indeed some urgencies," explained Henri Krasucki yesterday, "but the CGT prefers debate as a method." In the view of the CGT leader, the essential thing will be the actual content of the governmental measures. "We hope that the government will not repeat, as regards the work week, the kind of mistake it made with Social Security. The workers will have to take part publicly in the debate," Henri Krasucki concluded; "concrete solutions on the subjects announced have to be found rapidly."

Opposition Examines Reasons

Paris LE FIGARO in French 19 Nov 81 p 1

[Article by Xavier Marchetti: "The Fear"]

[Text] The government wants to step up the pace. Recourse to ordinances will enable it to do so. This is a constitutional means, already used on several occasions well before it came into power. The fact that it is using it in turn is not shocking in itself.

What causes the problem is the reasons behind its choice of this procedure.

The ordinances, whether one likes it or not, produce a delegation of legislative power. Under this aspect, they always make for a suspicion that the executive has a dangerous propensity to what Valéry Giscard d'Estaing once called "the solitary exercise of power." But it is true that in the case of an unstable or narrow Parliamentary majority, they can give the executive the ability to act faster.

This is not the case today. There is an abundant Socialist-Communist majority in the National Assembly. Moreover, it is master of the agenda. And one does not feel that it is ready to rise up against the government all at once. The ordinances, no matter what statement of empowerment they are surrounded with, are going to dispossess it.

Because of mistrust of it? It could be that the government is in effect protecting itself from upbidding and from factional struggles that lie within it. Excessive majorities are always the hardest to hold onto, and this one would not necessarily be an exception to the rule. One can grant this; but let us hear no more talk about "liberation" of the Parliament and full regaining of its rights.

And since the executive has stretched its credibility on this point, one can only seek other reasons that it has--at least two of them: constraint and fear.

Almost everything that is going to be affected by the ordinances relates, in the good logic of discussion, to contractual matters, to what should be the fruit of negotiation between social partners. This is true as regards the work week, the

retirement age, paid vacations, and to boot, the famous and phantom solidarity contracts. How can one help but see, then, that by way of ordinances, it is desired to constrain, for lack of being able, or knowing how, to convince. This may be put down to impatience; but let us hear no more talk about desired consensus.

And then there is fear. Within the PS itself, the government is beginning to be afraid of its extremists. On the Communist side, it observes clearly that a double game is starting: feigning to endorse positions for the sake of governmental solidarity, and out among the electorate, exploiting the growing discontent to the maximum. The surcharge levied on wage-earners for Social Security has served as a litmus paper. The Communists participate, but they set themselves apart. Tomorrow or the day after, they will cry treason. And it is desired to be able to use against them a whole series of social reforms that have taken on the force of socialist law. This is too clear not to be taken account of; but let us hear no more talk of majority cohesion on the left.

The ordinances: what they mean is that after 6 months, the government is no longer a tranquil force.

PS Attitude Change

Paris LE MONDE in French 20 Nov 81 p 9

[Article by Michel Debre: "Good Old Article 38"]

[Text] Should one be surprised or not by the government's decision to make use of Article 38 of the Constitution?

In the course of the Fifth Republic, and especially during the time when General de Gaulle was president of the republic, recourse to Article 38 was asked for on several occasions. I did so as prime minister. Georges Pompidou likewise. On each occasion, the Socialist and Communist opposition manifested a rejection that it expressed by its votes, and in 1967, even by a censure motion, which was defeated. The rejection was not only on the basis of the principles involved--that is, on the orientations of the measures which the government proposed to take by delegation of legislative power. Each time, the rejection was presented as a matter of principle: hostility to the very notion of ordinance.

The Socialists and Communists have been in government for not even 6 months. They are quite happy, it seems, by this decision of the Council of Ministers, to find good old Article 38 in the Constitution. This turnabout is not surprising, even if one may in retrospect be sorry for the somewhat irresponsible remarks made several years ago.

When the 1958 Constitution was worked out, I declared that the proper functioning of the Parliamentary system--that is, of the legitimate regime of the Republic--not only imposed a judicious separation of the domain of laws from the domain of regulations but that it was also proper to consider temporary delegation to the executive as normal. The essential thing in this matter is the temporary character, to which must be added the broad orientation debate that should precede and which is more important than the always eventual debate for ratification. In other words, while exceptional delegation is normal, it should always be done with clarity.

In the present case it is a matter, as one sees clearly, of proceeding, under conditions of extreme rapidity, to the passage of bills which would have been passed in any case but which would have given rise to great debates in the course of which numerous and pertinent observations would surely have placed the government and its majority in a difficult situation vis-a-vis the national interest. Behind the affirmation of a priority struggle against inflation and for employment, too many measures are actually leading to a revival of inflation and unemployment. Ideology is taking priority over policy, and we have arrived at a rebellion of the facts. This rebellion of the facts, in the course of the long debates, would have aided the opposition.

This, then, is the government's motivation.

But another constitutional observation can be made. The Socialist and Communist government, because the two parties that make it up had opposed, during the preceding legislatures, application of the measures that make it possible to accelerate Parliamentary procedure while at the same time respecting the Parliament's rights of discussion, did not want to make use of them and is doubtlessly still hesitating to do so. Thus it is condemned to going farther and asking Parliament for a delegation.

Ah, what a good Constitution the 1958 one is! It is as flexible as one could wish in respecting the Parliamentary system, and it is because of not having enough respect in depth for the Parliamentary system that the government is using a weapon whose value had for so long been denied by the people who today are in power.

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IKV'S FABER ON DEMONSTRATIONS, FURTHER PLANS

Amsterdam ELSEVIERS WEEKBLAD in Dutch 21 Nov 81 pp 16-17

[Interview with Mient-Jan Faber by Susanne Piët]

[Text] "A good parliamentary democracy would turn its attention to the interior of the country as well. You can claim that it can: 'nuclear weapons out of the country.' If people are enthusiastic for Poland, they can also be enthusiastic for the peace movement. Security systems must be democratized. But that, too, will be hard with this government. The gentlemen have let themselves get locked into a pattern. Van Mierlo has spent days in Weinberger's bedroom, but it led to nothing."

It turns out to be no easy feat to storm the castle of that Netherlands crusader for peace and security, Mient-Jan Faber, secretary of the Interchurch Peace Council [IKV]. Gatekeeper Steven skilfully bars admission. On one occasion the secretary is in a meeting, another time he is on the telephone, and the next he "has just gone off on his bike to a speaking engagement." Call back? No, the secretary never does that. After many, many tries, Mient-Jan himself comes to the 'phone. An interview? Reluctantly he agrees, "But then they won't get through to me after all," he adds in a mumble.

The first of two appointments is at the IKV itself. Nobody can give directions; apparently they all travel by bicycle. Luckily somebody mentions the Peace Palace as a landmark. Is there such a thing as chance? A friendly girl with red boots offers tea, followed by the aforementioned Steven, who has to answer the telephone a few times. "No. I'm sorry, Mient-Jan is in conference; can you call back tomorrow?" By an uncontrolled movement I knock a number of cocktail toothpicks off the wall, which bear the same motto as every pamphlet in the stairwell: "Nuclear weapons must be driven out of the world, beginning with the Netherlands." The similarity to the slogan of the League Without a Name, which I swallowed unthinkingly long ago, occurs to me involuntarily: "Improve the world, beginning with yourself."

Mient-Jan, it seems, is still in conference with "Americans," who later turn out to be from Zimbabwe. I am puzzled to see an IKV colleague, evidently not to be discouraged by any climate, come along the corridor: long hair, a pointed beard, goat's-wool socks, and mountain-climbing shoes.

And then at last Mient-Jan Faber himself. It is just as he himself will later muse on the subject of interviews: "It strikes me that persons that you have come to know through the media, when you meet them in person turn out to be 'people.' You must see Wim Kok sometime on the TV; that is quite a machine." He seems a little awkward, laughs now and then, and pours tea from one of the numerous bright-colored pitchers--the plastic relics of a whole day of meeting and talking. He has a slight accent; it must be a Coevorden accent.

[Question] What did you mean by "But then they won't get through to me after all?" Was that a declaration, a challenge, or what?

[Answer] Maybe I meant it teasingly with a serious undertone. You do not get to know people through interviews. You get verbalized theories and stories. People are more complicated than that. Most things are not said, but done. The depth of things lies rather in nonverbal matters. What you say you have to have abstracted in a certain way. And to see behind that sometimes takes years. I hope, of course, that it never succeeds, for then it would all be over. There have to be surprises left in you. Interviews are the worst things; I am allergic to them.

[Question] Remarkable attitude for a man who is well known to spend his days talking.

[Answer] (He nods.) My feeling is that the work that I do is a very lonely occupation. You don't know anybody in my line. You run from one meeting to another. You plunge onto the train or into the car (if it is too late for the train); you do the whole of the Netherlands and you say nothing. Others have been concerned with you, but the other way around there are too many people around me. The expectations are always high. Suppose you get an invitation from Norg. You think: "Gee, Norg, to go and speak there." I have a firm arrangement with my wife that I will be at home in the evening. She is a nurse. In the mornings I take the children to school. But in Norg they say: "The peace movement is not just in The Hague." I feel that to be correct, and so off I go again.

And here in the office: you have to take a similar position toward all your colleagues. Anybody else can close up and go home, but I cannot. Well, that is not so bad, it suits me well enough. It is well known that I sit all by myself a great deal working things out and discussing them. I argue a great deal with myself. That often seems surprising to others. It is on the bicycle that you get your best ideas. I already had that habit when I was doing mathematics at the VU (Free University in Amsterdam).

[Question] I would be willing to bet that that slogan has worked well "commercially" for the IKV.

[Answer] It is a good product. And it is thoroughly thought through, you know. It has been a success for the IKV. In 1970, 3 percent of the people knew what the IKV was, and in 1978 55 percent. In our model it was understood that people would organize. They must know that it presumably would be a matter of a new life fulfillment. That is a good thing, the notion of: When I start anything, I will follow through on it. We are going to establish a power behind that thought. You have seen groups spring up in the country that were a nuisance to everybody. That is the best sales gimmick. And it is a very faithful public, too.

Abstract

[Question] Is it a life fulfillment for you, too?

[Answer] (Mumbled.) In practice you fill up your life. But in the long run? I do not know. It is not the only field you could work purposefully in. (Louder.) It is not the only post that is conceivable for me. I used to be a mathematician. That was entirely abstract. Almost nobody understood the least thing about it. They thought: He must surely be doing something socially relevant. But it was not that way. I found mathematics very interesting. I also find chess interesting. People are also interested in it. It was accidental. In the evenings in Amsterdam I took up activities in the field of development problems, for the IKVOS [Interchurch Training Work for Development Cooperation]. Then they asked for me for the IKV. I was almost convinced that I would lose my profession. My earnings were going down. I was also worried that I might not get out of that strange cluster of theologists, sociologists, and agologists (that seems narrow to me). Then I did get out of the box.

[Question] You have mentioned reasons for not doing it. What were the reasons for doing it?

[Answer] The challenge, I think. Especially to see whether you could change anything, in the political sense. When I came, I thought: Behind the IKV there are churches. I was introduced to the church leaders, of course. But I never saw them. Bishops--you rarely see them in any case, for they sit in ivory towers. And in Utrecht they sit in the clouds. I thought then: Perhaps politicians; they concern themselves with questions of peace. There will surely be contacts with ministers. But no. And there was no library, either. There was a shelf with a few books on it. I really did not know what they were working at. I knew Jan Pronk [then minister without portfolio for development assistance], so I thought: I will just ring him up. I got a secretary. I asked to have Pronk call back. Call back? How did I get that idea?

The first thing I did in the IKV was to look into what the organization represented.

I thought: Is there any general support? Then I wrote to people, but I got no answers. I thought: There are just clouds here, there is nothing substantial, there is no orientation point. I had the IKVOS, of course, with the field workers; there was at least structure there. My time and attention went in that direction. Until 1976, when we brought out a big issue of the VREDESWEEK, with interviews with Vredeling [minister of defense], Hannie van Leeuwen, and others. What they thought of the world situation. Well, everybody was equally pessimistic. After that week people said: We do not need to get involved in that; what are you really doing yourselves? We said: Now it has to come out. The paper became the occasion of a violent discussion. The basis was: Nothing but signaling. Are we just a bunch of voyeurs?

Conditions

[Question] Do you yourself believe in the slogan that resulted from that discussion?

[Answer] I think it is a good slogan. And tenable, too. But under certain conditions. Indeed, in the first place, that parliamentary democracy functions as

it should. Now everybody is too much taken up with what is being done in the alliances. They concentrate fabulously on the most powerful. The Lunses and the Weinbergers are examples of people that are under the influence of the Soviet Union. They are mesmerized by it. The peace movement does not allow itself to be bullied that way by the Soviet Union. Moreover, we think unsound policy is being pursued there.

A good parliamentary democracy would turn its attention to the interior of the country as well. You can claim that it can: "nuclear weapons out of the country." If people are enthusiastic for Poland, they can also be enthusiastic for the peace movement. Security systems must be democratized. But that will be hard with this government. The gentlemen have let themselves get locked into a pattern. Van Mierlo has spent 3 days in Weinberger's bedroom, but it led to nothing. What the Greeks are doing is extremely interesting, but it gets only little notices in the papers. Instead of Van der Stoel's and Van Mierlo's complimenting the Greek government, you get more the feeling that they think: For God's sake do not let it become known.

A secondary condition for the slogan is: reaction abroad. Otherwise we would have been idiots. But even with it we would have had little chance. That the reaction did come gave us a great kick. Then the third condition: The movement must toughen itself. The IKV must not float along depending on individuals with good emotions. "De Tijd" (refers to an article on tensions within the IKV that ELSEVIERS WEEKBLAD published recently) does not know what it is talking about, but (with a little laugh) it will soon be straightened out, anyway. What you see when you are trying to build up an organization is that people, and especially journalists, find it fun to stir up the tensions that arise in the process. Backbiting or an atmosphere of quarreling does not prevail among us by any means. Four telephone calls to people who, naturally, mentioned each other's names, turn out to suffice for a four-page article on "the war in the IKV." We are trying to make a good structure, so that you can deal with the government like a sort of labor union.

Parties

[Question] There is no such structure yet?

[Answer] No, our contacts are indirect. I do talk with those people, but there are no structured contacts. They are being established. Something is now being arranged with the PvdA [Labor Party] and the CDA [Christian Democratic Appeal]. But with the public authorities there is simply nothing doing. The only man that has seemed ready for contact during the last 4 years was Scholten. In spite of the fact that he is an uncompromising man, twice over. He was sympathetic when he approached it ethically starting from the bottom. But Van der Klaauw has never shown that he took any notice at all. And I have never had any word from Van Mierlo, who, according to what he said, would like to engage in a dialog. I let him know through Relus ter Beek (PvdA) that I was willing, but he came back with the word: There is no point in it. Then I think he feels himself under attack. He has a lot of self-confidence, he is vain, and he thinks he will do it. But then his hopes were disappointed, you know. Marcel van Dam said: I will not join in the demonstration against my friend. (With a grimace.) Hans is good only if he talks with us.

[Question] What do you really expect from the big demonstration on 21 November?

[Answer] You do not demonstrate just with the slogan. You must make it clear what you propose politically. And that is that we are against the modernization decision. The expectation is that there are a considerable number of people in the Netherlands that do not want the Netherlands government to continue along this path. It even looked as though the PvdA and D'66 [Democrats '66] would endorse the demonstration. Then the demonstration could have been a strong push toward that policy. The big problem is whether that will now succeed. The coalition parties have opted for another way. They have shifted, in other words, from strong stands against to a gradual acceptance. Consequently, there is nothing political about the demonstration. But the train is rolling. We must now try to be as serene as possible and gain members.

[Question] A failure?

[Answer] I thought the time was ripe. But that does not mean that should not have done it.

[Question] A disappointment?

[Answer] You know I just go from one frustration to another, especially in regard to politics. Still, sometimes something comes of it, so there is no reason to give up. But I do feel that the political parties have cruelly left us in the lurch. It was a declaration of intent; they are making it into a pious wish. You go along with the process. First the zero point, but the moment Van der Stoel and Van Mierlo take their places, it is all over.

[Question] You were speaking of the formal power circuit, but what part do you play in the informal power circuit?

[Answer] (Laughs.) That is secret; what did you think? Surely I would never tell that I function as an intermediary between members of the Second Chamber of different parties? Or that CDA members of parliament call me up to ask how the CDA meeting went off? That belongs to an unmentioned circuit.

[Question] A thankless rôle?

[Answer] Oh, for your understanding and your analysis it is indispensable, so that you know how it can go. I really do not hold it against those people. It is hard for members of parliament to keep pace with all the latest in military strategic goings-on. A typical example from the CDA: that party shouted for 3 years that the short-range system must be gotten rid of. That sounds nice, but during that period the number was trebled.

[Question] To come back to the slogan: Mrs Klompé of Pax Christi was not greatly taken with it.

[Answer] She must have thought: What have they dragged in now? She probably felt it as a piece of arrogance, a thing that she herself is not entirely without. I am of the Dutch Reformed Church. In Coevorden we struck the Catholic boys on the mouth. But I have learned here how the Catholic power game is played. There

are a great many more wheels within wheels in it than in the Dutch Reformed. Catholics telephone a great deal. Marga Klompé sits in a web of contacts. That way she can manage things well, including things that do not concern her. She ought to have become a bishop, of course.

[Question] I wondered at the time why the IKV did not ask for immediate judgment against Alting van Geusau, if his accusation was unjust.

[Answer] I said at first: It is a form of muckraking. But the next day I saw the reactions, and then I thought: Now the game is about to begin. If you just stand by, the evil will punish itself. Suppose there is an uprising in the country. And I also felt that our principals, the churches, would have to defend us, for you can be defended against slander. Well, the boomerang effect did occur, but with the churches it was much harder. They did not dare. I think they expected a great deal of opposition if they supported us. The other day I again heard: "I'll see to it that your rooster does not crow again."

I hear that more from women than from men. Women come out with their opinions much more frankly. They have fewer diversionary maneuvers. They are more direct. Say whatever occurs to them. You really have the feeling that you know what they stand for. They do not use any dodges on you. In the case of male opponents there is always a thread running through their argument. (He reveals something more about women, when he says later in reference to the 21 November demonstration:) I personally do not care for crowds. I am not the kind of demonstrator that takes his placard out of his night stand. There is no reason in a crowd. Crowds are narrow, I would like to say, but that is sort of a woman's word. (Explicitly asked about women, he says:) I prefer to work together with them, although I can well understand that they organize separately. But I should not be talking about women. That is another subject that brings out profound argumentation in me.

[Question] The churches left you in the lurch. Can the IKV get along without the churches?

[Answer] It can get along even without the churches. But it is important that the churches are willing to create a platform for the peace council. I feel it is the duty of the churches to do that and also to involve non-church-affiliated people in it. You do sometimes come across a gospel inspiration. A proposal, for example, for a sign at the demonstration saying: "They that take up the sword"; then I get goose-pimples. If you inject that into the movement, you shut the others out.

Extension

[Question] What is the place of the churches in politics?

[Answer] It has been that churches and holders of political power sat side by side and even supported each other publicly. I grew up in Coevorden, and there was a sign on the church square there: "Mach geen fouten, stem op Schouten" [Make no mistakes, vote for Schouten]. Near the Catholic church we wrote: "Voor de domme: Romme" [For the stupid, Romme]. You even felt that politics was an extension of the churches. That time is past. The church has withdrawn from politics, at least in the literal sense. The churches now work by the formula: We

are the beacons in the sea, but the steering is done by politics. I cannot help smiling at that. But the churches do uphold livableness as a principle. They must, therefore, support movements against oppression, excessive armaments, etc. The church as corrector, yes, that is how it must be. But churches do not fit in with each other as people do. Two thousand years of unreliability, Gruyters once said. While he was a cabinet minister he also said: "When I shake hands with a Christian, I always count my fingers afterwards." (Laughs.)

Churches are a part of society; they constitute a part of political activity. In power politics churches have been one of the most traditional and long-term power institutions. A guarantee, then, with regard to the IKV? Nix, never rely on it, no carte blanche.

Image of God

[Question] To what extent is a question about your religion relevant to your function in the IKV?

[Answer] (Quick and brusque.) I have no religion. (Does not want to talk about it.) That sort of thing leads to abstractions. What is the meaning of life? To that I answer: It leads into the blue. (Then:) In church you learn how you must create God. To find people with no religion you must look in the churches. In my theology course I unlearn the making of an image of god. Ideals in the Platonic sense. How you must stand with your feet on the ground.

[Question] It offers you a survival kit?

[Answer] Yes, precisely. What is important to me is how people support each other. Solidarity. But as for religion: I call it cant. Ecclesiastical talk or religious talk is not a thing that you really acquire. And a church is not a thing with open doors. You sink into it. But that is nothing to talk about in an interview. Church services on radio and TV are also foolishness. Missions, too. Politics is all right. Politics is order. Working soberly, objectively. But if you are out to win souls by saying that you are better than the other fellow, you have to go stand in church with closed doors. Persuasion by means of ideologies, I feel, is of the Devil.

[Question] What is your political persuasion?

[Answer] I am a drifter. I have never been a member of any political party. By way of the IKVOS I came into contact with political parties, and I play volley ball with businessmen. During the election campaign they asked me: "What must I do now? I said: Just keep voting CDA. But you must start working in it.

(With regard to his own voting behavior he beats about the bush at first; then:) I go by power politics concepts. I do not believe in politics in detail. (And when that seems not to be enough:) I voted for Joop [Den Uyl]. Although we had previously had a bad VARA [Workers Radio Amateurs Association] interview. It was a real scene we were sitting there making. But in spite of that the man has a lot of possibilities in him. They need to support him and then give him a good dressing down. They do not do enough of that in that party.

[Question] What sort of place does nuclear armament have in overall politics?

[Answer] At the very least you can say that certain fields hit you in the eye: employment, women's problems (I have to say that; otherwise I'll have trouble at home). A lot of things are acute. But in political parties you see that they sometimes invest in one point in order not to have to in another. Because they are too firmly wedded to NATO. After the power struggle at election time, the PvdA's accent has come to be on employment. Yes, I think, that will work out well for you. I do not feel that that is good politics.

But I am not blind to other problems; I did come across them in the IKVOS. And when I talk with guest workers, for example, I feel that problem much closer at hand than nuclear weapons.

(Leans back.) I am transferable. I am not wedded to nuclear weapons. There are other things you can lose yourself in. (And then he must leave. For another speaking engagement. In Uithoorn.)

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PS LEADER REVIEWS PARTY POSITION ON MAJOR ISSUES

Lisbon O JORNAL in Portuguese 20 Nov 81 pp 4, 5

[Interview with Almeida Santos, vice-chairman of the PS parliamentary group, by Fernando Antunes; date and place not specified]

[Text] "The current PS [Socialist Party] leadership continues to enjoy the confidence of the party's members, who understand the internal and external problems that are being confronted. Some problems have already been solved, while others are on the way to resolution. The major problem (the complete restoration of internal unity) is entering upon a healing phase, if it has not already started." These statements were made by Almeida Santos, vice-chairman of the Socialist parliamentary group and member of the constitutional revision committee. In an interview conducted by Fernando Antunes, in which the spirit in which the Constitution is being revised was analyzed, Almeida Santos discusses the battle in which everyone in the PS is involved. As for the policy of alliances, it is his conviction that the PS will decide upon it only on the basis of the future parliamentary universe.

O JORNAL: "We shall not be a rubber wall, much less one of silence. Whoever tries to swim in mud will end up drowning in it!" This comment is part of a statement made by you in the Assembly of the Republic. What exactly were you trying to say with this position, which does not appear to be associated with a defensive stance?

A.S.: I made the assertion that you mention in the course of the political exploration that was made concerning the so-called "Timor Report".

From all the evidence, there was an attempt to create what it has now been agreed upon to term a "political act", that is, a "tumor" to focus general attention, diverting it from a critical assessment of the immobility and mistakes of the "establishment".

[Question] Is that your idea of a "political act"?

[Answer] Isn't it the prevailing concept?

What I meant was that we would not allow this attempt to shift the direction of public opinion from current problems to past issues, or from an actual examination of the problems to the exploration of intrigue; and that, in connection with both the present and the past, we were in a position to be accusers, not accused.

At the same time, I attempted to give a signal that the grace period which must be given to any government at first to prove its worth had been spent. The present government was already beginning to "reveal itself."

The Charges of Concessions to AD Are Mere Speculation

[Question] Mention has been made of PS concessions regarding the constitutional revision and of secret agreements made with AD [Democratic Alliance] on sensitive matters. What credibility should be attributed to those rumors?

[Answer] They are mere speculation!

I never had any doubt that, with regard to the revision of the Constitution, the PS would end up being accused of two contradictory sins: by the PCP [Portuguese Communist Party], of "collusion" with AD for the destruction of April; and by AD, of "collusion" with the PCP to perpetuate the PREC.

But I was not counting on the accusatory libel beginning so soon!

Both AD and the PCP proposed in writing to the PS that separate talks be held. Although we are dialogers by nature, we politely refused to hold dialog outside of the Revision Commission area, although we were receptive to it, on an unlimited basis, within the latter.

[Question] And did they hold dialog?

[Answer] Of course!

[Question] Then how did this question arise?

[Answer] Immediately after the agreement on principle concerning the matter of the method for appointing the military commanders. Based upon the PCP's insinuations, this was the situation: PS, after the discussion of the appointment of commanders, showed a strange complacency toward the AD proposals. Later, that was the price of the latter's agreement with the FRS [Socialist Republican Front] proposal concerning the commanderships.

This is such a senseless and groundless accusation that the PCP did not even bother to note the fact that the PS agreement with the AD propositions following the issue of the commanderships had been accompanied by agreement on the part of the PCP itself!

However, this was only one aspect of the libel. In the other, the PCP claimed something that was substantially the reverse: the solution proposed by the FRS was, essentially, that of AD. The PS confined itself to giving the appearance of adopting it.

As one can immediately observe, if the FRS, prompted by the PS, had given AD that shameful appearance, the PS would be a creditor, not a debtor! So how could it be paying and not receiving?

In its eagerness to accuse, or in the haste with which it did so, the PCP did not even take the trouble to give the charge the slightest degree of likelihood!

What was the situation? Would the PS now have to account for the fact that its proposals attained success?

[Question] But is it not true that the PS proposal is or was at one time the AD's proposition?

[Answer] It is only true that the FRS proposal coincides in part with the solution advocated by Dr Sa Carneiro in a book on the revision of the Constitution which he published nearly 2 years ago.

However, even while he was living, Dr Sa Carneiro was not AD. In any event, after his death his spirit did not bring about the AD's acceptance of that and many other solutions outlined in the aforementioned book. In its plan, AD advocates that the appointment of the military commanders continue to be relegated to common law, with the obvious intention of establishing their designation by the government.

The PCP assumed a diametrically opposed position: that of entrusting to the president of the republic, "tout court" [exclusively], in the constitutional office, the free appointment of the military commanders.

The PS has assumed a less short-term and more balanced position. It is, in addition, the one which appears in most democracies.

First: If there is any problem which, owing to its importance, should be set forth in the Constitution, it is this. The PCP and AD admit its remarkable importance; however, inconsistently, they are relegating its treatment to the common law.

Second: Not only the government, not only the president, but both. The government is the country's organ of general administration, and also of military administration. It cannot be excluded from the appointment of the commanders without detracting meaning from the principle, which no one rejects, of the Armed Forces' subordination to the civilian authority. The civilian authority is also, but not only, the president of the republic.

On the other hand, the president of the republic is the supreme commander of the Armed Forces. This status, in a semi-presidentialist regime, cannot be a mere honor. It may not be as much as a position, but it must have essence. And it would not have that if the appointment of the military commanders were to bypass him.

Third: Therefore, the last word should be up to the president. The government proposes, and the president names.

I am told that a series of refusals is inconceivable. I confess that I do not understand? Why? What is to prevent the current president from notifying the government, even before any proposal, that the CEMGFA [Armed Forces Chief of Staff] in his confidence is the present one and that, so long as he is president, he will not accept his replacement by another?

In the event of this, what sense would there be in any proposal for substitution?

[Question] But is it not true that the PR's [president of the republic] designation must be countersigned by the government, thus giving the latter the last word?

[Answer] That is a spurious issue. When the countersigning of the nomination of someone that the government has to propose is involved, is the refusal of that countersigning possibly conceivable?

In this instance, the countersigning has only the significance of certifying that the designated entity was the one proposed and, at the most, that the one who must be it has also been heard.

Constitutions Are Not Made to Consider Certain Heads....

[Question] But suppose there is a stalemate. The PR did not name the one proposed by the government; the government does not propose the one whom the PR wants to appoint!

[Answer] That is also a spurious issue. The organs of sovereignty have to cooperate in the area wherein the exercise of the respective authority is interdependent.

A Constitution cannot be made or revised on the assumption of conflict, trickery, treachery or blows.

The same question is posed, or might be posed, with regard to the exercise of other authority of the government and the president.

The constituent legislator presupposes the conscientious, patriotic exercise of the respective authority by the president and by the government.

In any event, if there should be a conflict of authority, I remind you that the president can dismiss the government or dissolve Parliament, and that neither the government nor Parliament can dismiss the president or force him to resign.

If it should exist, the conflict would be resolved against the government, and not against the president.

And would not the stalemate created by the PR's naming of military commanders to whom the government was avowedly and directly hostile be more of a producer of conflicts?

[Question] In the entire case, the objection is made that the current president was elected with a group of powers (that is, the ones which he has at present) and that, changing them in the middle of his term would mean to some extent defrauding the direction of the popular vote, that is, the will of the people. Would that not be leaving for later the implementation of the president's new powers, until the end of his current term?

[Answer] This view was upheld by the PCP in the Revision Commission, but without success.

In order to have a leg to stand on, this proposition would have to be upheld in connection with all the powers of the president, and the powers of all the elective organs (including the Assembly of the Republic itself), and not just in connection with the president.

Obviously, no one upholds that!

This is the situation: The same people (interpreted as the same desire) which elected the president, with a certain number of powers, elected the deputies, with the power, among others, to change the powers of the president.

On the other hand, if we were to head in that direction, the Constitution would be by definition an instrument in a constant state of outdatedness: The powers of the elective organs would be changed a certain number of years ahead, going into effect when another change in them might perhaps be warranted.

The absurdity is more than obvious. And it is translated into the certain fact that Constitutions are not made as hats are; that is, considering certain, particular heads.

FRS Continues Operating in the Area of the Constitutional Revision

[Question] But, assuming that consensus were to be reached regarding the PCP proposal, would that not be a good solution, at least for the time being (since we are in a phase of consolidation of democracy)?

[Answer] I have no trouble agreeing that it might not be a bad solution so long as the current president remains in the presidency. But I would stress four points:

First: We have no guarantee, but rather the contrary, that a new majority consensus can be reached again to make another change in the solution which we advocate now, admitting that a current change would occur. The solution which is now currently good could become currently bad. It would suffice to imagine the possibility of the right's losing the government and winning the president.

Second: It is not worthwhile dealing with fantasies. And it is pure fantasy to admit that AD could reach agreement with the PCP proposal. Either the revision of the Constitution is made with a keen sense of the realities, or else it cannot be made.

Third: The AD's non-acceptance of the PCP proposal, assuming that there is not an FRS proposal acceptable to the former, would lead to the maintenance of the status quo (remission to common law), in other words, to the victory of the AD proposal!

Thus, the FRS proposal and its acceptance by AD was a "sine qua non" condition for failing to implement the view of the current majority.

Fourth: The solution proposed by the FRS, until the end of the current president's term, actually relates to the solution proposed by the PCP. There exist the military commanders whom the current president wants, named by the president. Not until they are replaced by the current president (still at the government's proposal) will the chiefs be changed during their term. If there is no convergence reached

between the president and the government in this respect, the commanders will continue to be what they are until 1985!

Until 1985, there will remain the uncertainty regarding who is to be congratulated and who is to be reproached for the results of the solution that is implemented. If, as the FRS wants, there is a balanced solution, no one will laugh at anyone.

[Question] Forgive my insistence, but now let us get to the point: is the agreement between the FRS and the president being obviously violated, at least in this respect, or is it not?

[Answer] I shall say again, if necessary, what I said before, and what has been said so many times. The agreement preserves the present balance of powers between the president and the Assembly of the Republic, in the light of the semi-presidential system.

It does not prohibit (nor could it) a change in the current powers of the president. It is not a rigidly fixed agreement. Moreover, it was already known at the time that some powers would have to be upset, at least as a result of the abolishment of the Council of the Revolution and the redistribution of its current politico-legislative powers.

Hence, the president of the republic would receive powers that he does not have (for example, the power of free dissolution of the Assembly of the Republic), and, consequently, and so as to maintain that balance, other powers of his must be curtailed.

In any event, the agreement which was signed was an agreement with a constitutional effect, and the power to name the commanders was not established in the Constitution. Furthermore, it is questionable whether the common law could give the president authority not called for in the Constitution.

On the whole (and this is the only thing that matters), the restriction of the powers of the president of the republic is not at issue.

[Question] Do you think that negotiation based on the need for a consensus between each of the parties which constituted the FRS until recently and AD, and negotiation between the FRS (as an autonomous political entity) and the Democratic Alliance, are the same thing?

[Answer] If they are not the same thing, from a practical standpoint the difference would not be great.

This is the situation: The PS, alone, in a convergence of vote with AD, could assure the necessary two thirds majority. The votes of the other FRS parties, regardless of what bloc of votes they are added to, would not bring about nor prevent the formation of that majority.

However, in politics, the arithmetical weight of the vote alone is not what matters. The vote always has a political weight and significance. But, in this respect, the convergence of the positions of the PS, UEDS [Leftist Union for Socialist Democracy] and ASDI [Independent Social Democratic Association] has been the rule, almost without exception.

In the area of the revision of the Constitution (and not only within the narrow confines of the defense of its common plan), the FRS has continued to operate normally.

[Question] In that area alone?

[Answer] No! Also, to a certain extent, in the area of parliamentary cooperation.

[Question] Since there exists the constitutional requirement for a qualified majority of two thirds of the deputies present, what difficulties are cropping up at this juncture in obtaining that majority?

[Answer] There are matters wherein it has always been known, or is now known, that such a qualified convergence of votes is impossible.

There are others wherein it has always been known, or is now known, that such convergence is certain or possible.

Finally, there is an area wherein not until the end, and based on reciprocity in the spirit of openness, will it be known whether or not it is possible to reach any majority consensus, and to what extent.

Moreover, there are varying degrees of urgency. Concurrently with the issues on which it is necessary to reach agreement, so as not to impede the establishment of other fundamental agreements related to those issues (for example, the consequences of the abolishment of the Council of the Revolution), there are areas wherein the alternative consists of changing for the better (according to the view of the one who changes) or remaining as one is in all respects. In this regard, we shall certainly not be the ones most concerned.

[Question] Although the work on the constitutional revision is taking place behind closed doors, it is apparently assumed that AD has been making concessions regarding the powers of the president of the republic. Could it be said that there have been compensations on the part of the Socialists (or the group of PS, ASDI and UEDS deputies) with respect to those concessions?

[Answer] "Behind closed doors" is a manner of speaking. The work has been recorded in minutes which have already begun to be published. Everything is recorded in them, even the asides.

With regard to concessions, AD sometimes concedes and sometimes does not concede, depending on its feasibility. And this attitude does not vary on the basis of the issues. Hence, there is not actually any place for "compensation" on our part. There is a normal, mutual spirit of openness, from which the PCP itself is not dissociated. The Revision Commission is a task force without concealment.

We might say that AD has not assumed a position of systematic blocking, which is constructive. But also, it was not to be expected that it would assume such a position. We would have reacted to blocking with blocking, and the present Constitution itches AD more than it does us.

We think that it could and should be improved, but it would not frighten us if, through no fault of our own, we were to continue to be governed by it.

In the entire situation, I consider that immobile effect to have been eliminated. And it would be a good thing for the admittedly temporary solutions in the text which is in effect to be exchanged for different ones.

Democracy is all the more beautiful because it is an unfinished work.

The Chapter Relating to Economic Organization Is the One Most Untouched To Date

[Question] In what respect could the PS give in to the AD demands under certain conditions?

[Answer] The PS does not give in to "demands". It agrees, when it agrees, to proposals; and never on "conditions" which do not involve a basic agreement.

The FRS made proposals for changes which it considers to be essential improvements. The parties comprising it, as well, have not failed to recognize that the one who bans hunting in his own preserve cannot hunt in the preserve of others. The combination of various proposals has been summarized in the search for specific improvements within the context of the new overall balances.

[Question] How far will the PS concessions regarding economic organization go?

[Answer] The chapter relating to economic organization has been, to date, and will probably continue to be the one most untouched of all.

This is certainly because it is there that the most unsolvable differences exist.

We shall be discussing again some of the points that we dealt with unsuccessfully.

[Question] Do you consider it possible to achieve a revision of the Constitution without lateral commitments on both sides resulting from this process?

[Answer] I shall take from your question the terms "commitment" and "lateral", and the expression "both sides".

If two converging votes are a commitment, or necessarily reflect a binding pact, then it may be said that there will be no revision without reciprocal commitments.

If the adjective "lateral" means dissociated from the open discussion within the Commission, the answer is that there have not been, nor will there be any commitments of that sort.

The opposing sides engaged in the revision of the Constitution are not just two, but nine. AD, in convergence with the PCP, could obtain the qualified two thirds majority. And there have been expressions of willingness (we have not yet reached the voting phase) of all stripes and tastes.

The Current PS Leadership Continues to Enjoy the Confidence of the Membership

[Question] In a communique issued recently, and following Dr Henrique de Barros' departure from the party, the PS standing commission suggested the minorities that would leave the party in the event that they did not feel comfortable. What do you have to say about this position?

[Answer] It cannot be discussed in terms of a "suggestion". If I am not mistaken, what the communique said was that the standing commission (which declared that it did not understand the attitude of Prof Henrique de Barros, in addition to regretting it), in spite of everything, understood even less the attitude of those who remained within the party, apparently to combat it more effectively.

As everyone knows, the PS is and must continue to be an open party, if it is not to lose its character. But there have been instances (fortunately rare, and not widespread) wherein the right to free discussion and free criticism has been exercised in terms of a direct battle against the party "qua tale", even through appeals (otherwise legitimate) for the formation of new parties.

Anyone who cannot withstand these extremes of temptation owes himself the consistency of ceasing to belong to a party with which he has stopped being identified.

I consider this the significance of the communique in question.

[Question] The PS is attempting to give an image of being an alternative to AD. Do you think that it will be such with the present leadership which, generally speaking, is outworn in the eyes of the public? And is it with decisions such as that to abolish the FRS coordinating commission that it will construct this alternative?

[Answer] The PS does not have to "give an image" of being an alternative to AD. The PS is that alternative. If not, what other political party is?

Unborn parties? Let them be born first, and later we shall see. The brief history of our Second Republic and of its young democracy already contains examples which suffice, from the votes in which those legitimate ambitions have been reflected.

If the PS were not an alternative to AD with its current legitimate, democratically elected leadership, then how could another be such without losing the lofty virtue of being a democratic party?

For reasons which are very current, the present PS leadership has been heavily attacked; but I would not say that it is so outworn on that account.

The time is not propitious for the political glory of those who must wage the difficult battles of democracy at the height of and with a persistent recession of the economies, particularly the most dependent and weak ones.

But the current PS leadership continues to enjoy the confidence of its members, who have understood the internal and external problems confronting it. Some problems have already been solved, while others are on the way to resolution. The major

problem (the complete restoration of internal unity) is entering upon a healing phase, if it has not already started.

There is again the impression, which is becoming increasingly strong, that there can be no democracy in Portugal without the PS.

It is recognized today that, having made the circuit of the miracles promised, the PS governments, in comparison with the others and taking the appropriate corrections based on current situations into account, were not bad governments.

The decision to abolish the FRS was not the killing of a front, but the verification of a demise. What remained alive (the parliamentary cooperation and that in the area of the revision of the Constitution) is still alive. If there was too much decision making, the exaggeration with which the political potential of the FRS as such was assessed, especially after the decision, was no less so.

I am not saying that the FRS was a mistake, but clear thinking demands that it be called a disappointment.

We have the greatest esteem and respect for our friends in the UEDS and ASDI. We are prepared to continue cooperating with them in the future.

But as allies, not as a conditioning factor.

Party Coalitions Or Lists?

[Question] What do you consider the alternative to AD: a PS alone, a PS allied with the PSD [Social Democratic Party] or the formation of a bloc dissociated from the present majority?

[Answer] It all depends on the results of the next elections. It has been said and repeated that we shall not make any alliances before them.

And speaking of alliances, on the premises of the constitutional revision there is still open the question of ascertaining whether or not we shall establish the coalitions of lists along with the coalitions of parties.

In this regard, there may be the lure of the advantages which the Hondt method insures for the large concentrations of votes to be gained through the expedient of mere coalitions of lists, without a need to progress as far as a coalition of parties, which specifically entails a common program.

This solution would facilitate two things simultaneously: the dissolution of the present blocs, and the limited planning of others, although for mere electoral purposes. Now the deliberation undertaken by the PS relates only to coalitions of parties, not of lists. This, by definition, must precede the elections, on the basis of which it exists.

However, insofar as this is concerned, we must wait until the revision is made.

As for future alliances or non-alliances (PS alone, or PS with others), I repeat, it all depends on the new parliamentary universe.

Making a prediction of the party arrangements which will become unnecessary or necessary then to make the continuation of the present democratic regime on a partisan basis possible is mere futurology. Neither my forte nor my pleasure lies therein.

One thing is certain: the PS will, responsibly, do what the new situation requires of it to enable democracy to continue to be our rule of life. And, in the event that it has to choose from among several solutions, it will select the one which will most insure the achievement of democratic socialism.

Without taboos, but also without fantasies or delusions.

Mario Soares and the 1985 Presidential Elections

[Question] Do you think that Dr Mario Soares has a chance of being a candidate in the 1985 presidential elections? And with what support?

[Answer] Of being a candidate? Of course. He is a native citizen, he is over 35 years old, and it is already evident that, even without his saying that he wants to be a candidate, the necessary signatures are appearing for him through spontaneous generation and in excess.

With what support? I shall answer with another question: What potential candidate at the present time would have more than he?

In any event, it is too soon to ask and reply. Four years from now, the world will be different, and our political universe will, too. And my comrade, Mario Soares, is maintaining a wholesome silence and great calmness in that respect. The obviousness with which certain political sectors and personages are already attempting to impede the success of that hypothetical candidacy is even somewhat amusing.

One thing is certain: Even some of those who, without reason, refused him a prime minister's profile, are recognizing a president's profile for him.

But the Portuguese sometimes engage in the sadistic pleasure of putting vinegar in wine.

[Question] Will the PS continue to use the political and technical cadres that it has available, belonging to the minorities, or not? How will it integrate them into the party leadership and battle?

[Question] There has been no deliberate intention on the part of the present party leadership to use certain cadres to the detriment of others, or to use only some, excluding the rest.

The last congress left some psychological aftermath and some uneasy relations; but, in time, all this will be surmounted.

There have been (I admit) some hurt or at least distressed feelings, and some hesitancy about cooperating or accepting one kind of cooperation or other.

Hence the idea, which has spread to an unwarranted extent, that there have been intentions, or at least instances of excluding comrades, accompanied by a waste of intellects and wills.

I sincerely believe in our collective capacity to forget the offenses and to affirm the communion of ideas (which has never been seriously questioned), and particularly the ideal of comradeship, which is one of the virtues of democratic socialism.

There should be no doubt that the battle ahead will be a battle for everyone.

[Question] There are observers who, looking at the present PS leadership, have not hesitated to discern in it a triangle, the vertices of which in terms of a future plan would be a Mario Soares in the presidency of the republic, a Jaime Gama as secretary general of the party and an Almeida Santos as prime minister. Is this mere speculation, or the first smoke from a small fire?

[Answer] It would say that this view is not triangular, but "prismatic"! Insofar as I am concerned, I am certainly not a candidate at the vertex of the triangle. And since there can be no triangle without three vertices, it is obvious that the triangle does not exist.

There are observers who only conceive of the future in terms of intrigue. From that conspiratorial standpoint, the politicians are little subjects who spend their lives thinking up tricks.

I am not claiming that politics is the realm of innocence; but politics is also ideals, work and magnanimity.

And I may be naive in assuming that this is still the shortest route to success.

2909

CSO: 3101/11

CONSTITUTIONAL CHANGES IN TOP MILITARY PROMOTIONS DISCUSSED

Lisbon O JORNAL in Portuguese 13 Nov 81 p 10

[Article by Fernando Antunes: "Who Will Obtain General's Stars Yet To Be Decided"]

[Text] The system agreed upon by the parties for the appointment of the military commanders is not yet irreversible, and may even be "frozen" if the majority does not reach a compromise on other matters considered essential in the constitutional revision that is under way.

The appointment of the Chief of Staff of the Armed Forces, the deputy chief and the chiefs of the three branches of the Armed Forces by the President of the Republic, at the government's proposal, a system agreed upon for inclusion in the Constitution, resulted from AD's [Democratic Alliance] acceptance of the proposal contained in the FRS' [Socialist Republican Front] draft revision, and not from any accord negotiated between PS [Socialist Party], UEDS [Leftist Union for Socialist Democracy], ASDI [Independent Social Democratic Association] and AD, according to a guarantee given by both sides.

On the other hand, according to the FRS constitutionalists, this consensus has not resulted in its representing an irreversible commitment under all circumstances, particularly if AD does not compromise nor give up its radical positions with regard to other no less important aspects associated with it.

The acceptance of the FRS proposal, therefore, meant the abandonment of the proposition upheld by the Democratic Alliance, that is, the appointment of the military commanders exclusively by the government, without any interference from the president of the republic, which would leave it in the hands of mere current parliamentary majorities.

From this standpoint, the mechanism of the exclusive appointment by the government appears to be as unacceptable as that of their exclusive appointment by the president of the republic. Added in connection with the latter (it was claimed in the UEDS document) is the fact that, politically and for 5 years, he is answerable only to the electorate, and this holds true if he should possibly run as a candidate again; whereas, it might be argued in the government's favor that it is subordinate to Parliament, answerable to it and subject to its constant control.

Others maintain that the government is the organ of sovereignty with the greatest partisan proclivity, whereas the PR [president of the republic], democratically

elected, is the one from whom the greatest desire for partisan independence and national consensus could be required.

The UEDS document asked in a polemical manner those who advocated the appointment by the PR exclusively whether that might perchance be their position in the event that Gen Soares Carneiro had been elected; and, concurrently, those who fought for the government exclusively whether that would continue to be their proposition at the time when the opposition won the majority in Parliament....

'Governmentalization', 'Presidentialization' and 'Democratization'

With the consensus arrived at, AD will not make arbitrary appointments of the military commanders nor can the current president of the republic do so, nor would they be named arbitrarily by a future government of the left or the current president of the Assembly of the Republic, in the event of an impediment affecting Gen Ramalho Eanes.

According to the advocates of the solution that has been found, the consensus on the military commanders forced AD to give up its intention of "governmentalizing" the military forces, while at the same time precluding their "presidentialization", in favor of what they term "democratization", that is, their integration into a system aimed at better protecting the stability and operation of the democratic regime.

However, other observers have stressed that the areas of conflict will not be eliminated in the event that there should not be an accord between the two organs of sovereignty, the PR and the government; because it is not fitting, when analyzing this issue in the light of the current situation, for example, to assume that, when faced with proposals for the appointment of military leaders who do not have the "agreement" [approval] of the president of the republic, the latter would accept them against his will.

The government would have to substitute them until it found others who met with his acceptance. In such a stalemate, there would be no appeal to any other echelon. The "key" would always be in the hands of the organ of sovereignty to which the power of appointment belonged. What has been said (the same observers add) also holds true for the dismissal, inasmuch as the president of the republic would act only on the basis of a proposal originating in the government. Moreover, hypothetically, whether or not the present executive agreed with the military commands in office (CEMGFA [Armed Forces Chief of Staff], and chiefs and deputy chiefs of staffs), the president of the republic would always have the advantage, before and after the approval of the constitutional revision law. He might not dismiss them, although some day the government might remember to propose their dismissal.

Who Can Legislate Now

Let us observe the current situation in the area of the intervention and authority of the organs of sovereignty in military affairs, particularly the legislative context thereof.

The president of the republic inherently discharges the functions of president of the Council of the Revolution and supreme commander of the Armed Forces. Article 137 states that it is incumbent on him to hold the position of supreme commander, a stipulation with which AD does not agree, advocating that this reference be eliminated, because, in its opinion, there would still be the risk that the common law might assign him other powers in addition to those which he already has and which the Constitution establishes.

The Council of the Revolution, for its part, has the functions of a political and legislative organ in military affairs and, in that capacity, it is responsible for making laws and regulations regarding the organization, operation and discipline of the Armed Forces, in which respect its authority is exclusive. The Assembly of the Republic, in turn (line 1 of Article 167) has exclusive legislative authority in all matters relating to the organization of national defense, and the establishment of the duties stemming therefrom.

The government, for its part, is the organ for directing the country's overall policy and the superior organ of public administration. Military matters have been prohibited to it, as well as to the executives who preceded it since 1976; but, whatever the distribution of the powers of the CR [Council of the Revolution] among the other organs of sovereignty may be, there will certainly be an increase in the government's authority and responsibility concerning the problems involved in the organization of the Armed Forces and the national defense. There is nothing anomalous about this fact (as Freitas do Amaral stated in September, in Parliament, on the occasion of the submission of the program), because that is how matters stand in all countries, including those whose government system is a purely presidentialist type.

Successors to the CR Sought

When the Council of the Revolution is abolished, how can its functions be distributed and be formulated in the revised text of the Constitution of 1976?

1. In the legislative realm, according to the WRS plan, the Armed Forces are subordinate to the Assembly of the Republic, insofar as the organization of the national defense and the determination of the obligations stemming therefrom are concerned, as is the case now, wherein it holds complete legislative authority. In the same plan, however, Parliament is given the authority to legislate on the General Bases of the Organization and Operation of the Armed Forces. In the AD plan, that authority is maintained only in connection with the Organization of National Defense, while the power to legislate in areas not reserved for the Assembly of the Republic "falls" to the government; after it has been learned that the Organization and Operation of the Armed Forces is not included in the authority of Parliament. Line f) of Article 200, in the AD plan, in fact, states that it is up to the government to "make decree-laws in areas not reserved for the Assembly of the Republic."

Apparently underlying this "nuance" is the government's intention of trying to take the initiative for legislating, instead of agreeing that Parliament should do so.

2. From the standpoint of everyday organization and operation, the Armed Forces are subordinate to the government (this point is made in both plans being compared).

3. In the appointment of the higher military echelons, the Armed Forces will be dependent, in varying degrees, on the president of the republic and the government, as has been noted.

4. In the area of consultation, the Armed Forces participate in the Higher National Defense Council, an organ headed by the president of the republic, which includes representatives of the government, Parliament and the military hierarchy. From what we have learned, AD agrees to the creation of this organ, but thinks that its operation and its composition lack sufficient dignity to warrant its being part of the constitutional text. A certain amount of indecision regarding the true role of the Higher National Defense Council warrants the AD hesitation, according to a constitutionalist from its area.

The Political Component

The constitutional revision law, with the potential accomplishments and possible consensus, whether or not it is dissociated from the current temptations (the PS' firmness will be a determining factor in the elimination of some of the AD resistance), will inevitably have a great impact on the organization of national defense and of the Armed Forces. But it will not solve all the problems or provide all the solutions which the Armed Forces' subordination to the civilian authority must entail, specifically those of an organizational nature. It is the current holders of the executive power who are constantly giving a reminder of this.

In the area of promotions, for example, the government has already stated that it will be guided by criteria of political confidence because, in its interpretation, whereas up until now there has been a political component (statements by Freitas do Amaral in an interview on RTP [Portuguese Radio-Television System]) in the model followed for the promotions of general officers, that component would be legitimately absorbed by the government and not by the Armed Forces after the abolishment of the CR.

According to Freitas do Amaral, the undesirable partisanization of the Armed Forces would be avoided, something which, in the opinion of parliamentary observers, certainly does not invalidate what the vice-prime minister attempted to state during September, in Parliament, upon acknowledging the military institution's right to an appreciable degree of internal autonomy, whether for reasons stemming from a favorable overall orientation toward decentralization of powers, or for reasons specifically relating to the individual nature of the Armed Forces. Those who back his theory point out that it is one thing to consider that autonomy within its strict limits, but it is something quite different to acknowledge the Armed Forces' right to take options or express judgments of a political nature.

The Presidential Veto

According to Freitas do Amaral, minister of defense of the Eighth Constitutional Government, it is the political authority which must clearly define the missions assigned to the Armed Forces and, on the basis of this definition, promote the

submission of fundamental proposals for their restructuring, on the one hand, and for the means considered necessary (in the form of personnel, materiel and financial resources) for the efficient performance of the tasks resulting from those missions, on the other.

But none of this will be part of the Constitution, nor of the plans that have been submitted. If the government wishes to legislate in this respect, as it would appear, it will have to make an effort in the context of the constitutional revision that is under way to have that authority granted to it constitutionally. The FRS plan holds that this matter, namely, the Law of Bases for Organization of the Armed Forces, comes within the jurisdiction of Parliament, whereas in that of AD, it is to the government, owing to the exclusion of sides, that this authority is offered; something which, owing to its extreme complexity, will not fail to be analyzed in terms of consensus, in the absence of which the consensus obtained regarding the military commanders will hardly achieve victory.

Since the government has a majority in Parliament, it would not be difficult for it to have laws passed wherein the political and selective component that has been claimed would prevail over the different provisions as a whole. But it would possibly have to confront the veto of the president of the republic and the requirement for confirmation by two thirds of the deputies, in the event that the formula demanded by FRS for the Law on Organization of the Armed Forces should succeed, as is required in the text that is in effect on the subject of the organization of national defense.

Whereas, in the documents of the Assembly of the Republic (in the FRS plan regarding the Law of Bases for Organization of the Armed Forces and Organization of National Defense) the veto requires confirmation by a qualified majority of two thirds of the deputies (which would suffice to jeopardize the plans of the government and its majority), in the case of the executive documents, the veto of the president of the republic is even definitive, as one infers from the present constitutional text.

Hence, the presidential veto is always an influential conditioning factor in the passage of legislation wherein the government claims the legitimacy of what at a given time in history was considered an exaggerated political intervention in the affairs of the Armed Forces.

2909

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ARMY STEPS UP PREPAREDNESS, INCREASES TRAINING CALL-UPS

Stockholm SVENSKA DAGBLADET in Swedish 6 Nov 81 p 9

[Article by Lars Porne: "Army Preparedness Increased: Conscripts to be Called Up Several Times a Year"]

[Text] The Swedish Army's preparedness against surprise attack will be increased. The most visible step will be that the call-ups of conscripts will be spread over the entire year.

"We must adapt availability of units to the requirement for preparedness. It is the OB [Supreme Commander of the Swedish Armed Forces] who formulates the requirement," said one of the men behind the package of recommendations which is now on the OB's desk, Major Einar Jonasson of the Army Staff.

Preparedness questions have been under review for a long time in the Army Staff. The recommendations that have now been made can first be carried out during the defense period 1982-1985.

Secret Recommendations

It takes at least 2 years to change the training times for the conscripts, since the entire organizing process is affected. As it is now the conscripts are called up in one group once a year. In the air force they maintain their preparedness by calling up the conscripts four times a year.

That is the way it will be in the future in the army.

"OB's opinion is that we, to a larger extent than previously, need increased preparedness," said Major Jonasson to SVENSKA DAGBLADET.

"The submarine in the Blekinge archipelago is an illustration of that," he added.

The "package" consists of a number of recommendations of which some are still secret. They have been worked out at the initiative of the OB.

This is caused by the military-political and military-technical developments which have made it possible for an attacker to launch an attack without any spectacular

preparations. The attack can therefore come as a complete surprise. Availability of aircraft, helicopters, airfields and aircraft carriers has increased, and there- with the possibilities to transport troops rapidly.

Strengthen Norrland

Transport aircraft will be a part of the increased Swedish preparedness. Certain companies and battalions will in the future be transported by air for operations in other military areas than their own.

In order temporarily to increase preparedness it can be expected that overnight passes will be withdrawn during both basic and refresher training.

The resources in upper Norrland will be strengthened. More exercises will be held in Norrland terrain, and troops will be specially trained for the Norrland environ- ment. Furthermore extensive supplies will be stored in Norrland so that troops which are rapidly transported there can have additional equipment immediately.

Also mobilization preparedness will be increased. The number of units which can be mobilized within 24 hours will be increased. That can be done by increasing local recruiting and decentralizing supply locations.

Inexpensive Improvement

Some units will carry out special mobilization exercises. Some mobilization places will be moved so that they will be nearer the units' wartime missions.

Following a government decision, basic training units can be held in extended service if increased preparedness is needed.

All this means that Sweden will retain general conscription and 7.5 months of initial service. Conscripted officers at the platoon leader level will in the future be trained for 15 months.

The planned measures will make it possible to increase Sweden's preparedness against surprise attack considerably without the expenditure of large amounts of money.

9287

CSO: 3109/45

NATION'S DEFENSE COMMITMENT FOUND INCREASED BY SOVIET SUB

May Dampen Unilateral Peace Movements

Stockholm SVENSKA DAGBLADET in Swedish 7 Nov 81 p 2

[Commentary by Axel Waldemarson: "The U 137, the Peace Movement and the Future"]

[Text] Russian pressure for expansion had manifested itself from Alaska to India and from Turkey to Poland. "The Czar with an olive branch," it was said in Vienna "that is something new in history." But that admonition touched a string which was aching to be heard. The call from that precise quarter exceeded the pacifists' wildest dreams.

Barbara W. Tuchman, in "Det stolta tornet" [The Proud Tower] on Nicholas II's appeal to all nations in 1898 to take part in a disarmament conference.

What will be the effect of the U 137's unprecedented border violation?

In the first place, analyzing the immediate effects of the U 137 incident can be of interest. On the communist side, they quite rightly fear the consequences for the peace movement, which is strongly influenced by the extreme left. What has happened is going to have an effect on discussions of a Nordic nuclear weapons-free zone. It also cannot fail to have an impact on the tremendously big defense decision facing Sweden at the present time.

An excellent point of departure is the political situation in the strategic area which includes our part of the world and the Baltic region--that is, other countries bordering on the Baltic Sea.

Everybody knows how critical the situation in Poland is. In Finland, a political interregnum will prevail until the presidential election in January 1982.

The Norwegian government of the right became established after the support of the Christian People's Party and the Center Part was definitely secured.

While Denmark is concerned, it appears that an election is going to take place by spring, with a possible--note that we do not say probable--change in government occurring as a consequence.

The Nuclear Weapons-Free Zone

The Willoch government quickly gave a demonstration of its energy in the field of foreign policy. Foreign Minister Sverre Strøm started out by setting very narrow limits for Ambassador Jens Evensen's assignments. Evensen succeeded in acquiring a key position with great freedom for maneuvering in the Norwegian Ministry of Foreign Affairs. It was also Labor Party member Jens Evensen who, in September of last year, increased the disruption in his party, already damaged by the debate about a Nordic nuclear weapons-free zone which had been started up again in September--a debate which quickly spread and also gained new life in Sweden.

Evensen's Restrictions

Now Strøm has deprived Evensen of two important assignments. The first of those is the leadership in negotiations with the Soviet Union on establishing its boundaries with respect to Norway in the Barents Sea. In many quarters, Evensen is regarded as having been too compliant toward Moscow. In the second place, Evensen will not be permitted to negotiate with the Danes on the boundaries around Jan Mayen.

Evensen has been forbidden to foster any policy other than the government's official policy. That eliminates the possibility of any solo excursions by him on the nuclear-free zone question. The acid test for Evensen will come in a few months: He has promised to help on a book on Nordic security policy, perhaps with the draft treaty on a Nordic nuclear weapons-free zone which he says he has prepared--but in any case not yet delivered for submission as a bill.

More Than the Nordic Countries Are Affected

After the U 137 incident, it will be much easier in Sweden, in the zone debate, to push the old Undén demand that a bigger region than the Nordic countries has to be included, and most particularly the Baltic Sea, with the submarines armed with nuclear weapons which operate there.

The fact that a Soviet diplomat has just been expelled from Denmark because he paid money to an author to organize a campaign among intellectuals for a Nordic nuclear weapons-free zone cannot fail to affect the debate.

The zone question and peace demonstrations go hand in hand, so to speak, in the Nordic countries. If one of them is weakened, that deals a blow to the other branches of the radical-pacifist tree.

Since the peace marches and demonstrations have been directed against the West, opinion naturally is affected by occurrences like the U 137's trip into a Swedish area under military protection. The fact that members of the Left-Wing Communist Party make themselves available and work hard, insinuating themselves into the peace movements, makes the latter more vulnerable than would otherwise have been the case.

In Moscow, the protest movement has been portrayed as a proof that their policy has been correct.

In Norway, a counteroffensive against a peace movement unilaterally oriented in a single direction can be discerned.

The protesters against nuclear weapons are undermining NATO's negotiating position, the international research worker Arne Olav Brundtland writes in AFTENPOSTEN. He is the husband of Gro Harlem Brundtland (Socialist), the former prime minister and present leader of the opposition. He continues by saying: "The more the movement protesting against nuclear weapons prospers in its unilateral resistance to NATO's plans for modernization, the more hopeful the Soviet negotiators can be in regard to the idea that real negotiations are not necessary. The protesters against nuclear weapons are doing the job for them."

Problem for the Socialists

At the same time, it is clear that the peace movements have become a problem for the Social Democrats. Sture Stiernlof vouches for that with great frankness in an article in ARBETET (Socialist). Stiernlof, who formerly was the Press Wire Service, Inc.'s Moscow correspondent, has studied attitudes in West Germany; he notes that opinions are divided. Stiernlof classifies the well-known Social Democrat Egon Bahr among those who are favorably inclined and writes: "He does not take a negative view of the peace demonstrations. Erhard Eppler, of the SPD [Socialist Party of Germany], too, who is directly linked with them, has an argument that carries a great deal of weight. He says that the CDU [Christian Democratic Union] can perhaps win an election against the peace movements but that the SPD can only win an election with them. The question is whether a similar rule cannot be applied to the Swedish Social Democrats in the 1982 election."

Consequently, where the Swedish Social Democratic Party is concerned, it is a question of not getting on the wrong side of the peace movements but instead of capturing them to serve as supporting troops. That will be nowhere near as easy after the U 137 incident.

What Is That Going to Cost?

The relationship with the peace movements can become a dilemma for the Social Democrats. There are many indications of a strong desire for defense. Important decisions are just around the corner. The Social Democratic Party's congress declared itself in favor of lower amounts of money for defense than the nonsocialist parties. It calls for a shifting of the cost, within the total defense program, from military to civil defense. Within the Socialist International, Olof Palme urged the adoption of a resolution that the parties which belong to it should work out disarmament plans. Presumably there are going to be many politicians and commentators (Social Democratic) who now are horrified that the U 137 was able to penetrate so far into Swedish territorial waters but who nevertheless think that the cost of purely military defense can be limited.

But what will happen if a wave of pro-defense sentiment rolls up? To return to the Stiernlof dogma, how should the Social Democrats go about dealing with that wave and the peace movement, which will be so important where election prospects are concerned, at one and the same time?

Poll Registers Post-137 Defense Attitudes

STERNEN NYHETER in Swedish 7 Nov 81 p 7

[Article by Nik Ljungberg: "Government and Defense Authorities Approved"]

[Text] Both the Swedish government and the military are definitely approved by the Swedish people for the way they handled the submarine incident. That is what

a rapid survey conducted for DAGENS NYHETER by the Institute for Market Research (IMU) indicated. Four Swedes out of every ten now want to have a stronger defense program. The negative attitude toward the Soviet Union, which already existed among Swedes before that incident, has now increased.

The survey was carried out by telephone in 2 days, Wednesday 4 and Thursday 5 November. Two hundred fifty-two interviews were conducted with a representative sample of the Swedish population in the age range from 15 to 74. The statistical margin for error (unreliability) is estimated at between +4 and +7 percent.

When the rapid survey was started on the Wednesday, exactly a week had passed since the Soviet submarine was detected in a Swedish area under military protection in the Karlskrone Archipelago.

At a dramatic press conference on Thursday, Prime Minister Thorbjorn Falldin revealed that the submarine probably carried nuclear weapons. The press conference began at 1630 hours.

The IMU conducted a special survey to determine whether there was any definite difference to be perceived between the answers that were given on Wednesday and those on Thursday, after the presence of nuclear weapons was revealed.

More Criticism of the Soviet Union on Thursday

The 252 interviews were quite exactly divided up between the 2 days and there was some tendency for those who answered on Thursday to favor defense somewhat more and to be somewhat more critical of the Soviet Union. But no statistically clear-cut difference between the two groups could be confirmed, rather to the surprise of those conducting the survey.

Every year since 1952, the Preparedness Committee for Psychological Defense has had surveys carried out on attitudes toward defense, among other things. From 70 to 80 percent of all Swedes have always supported the defense program. In the IMU survey (the detailed results of which are provided in the appended tables), 9 out of 10 Swedes, in round numbers, consider it very important or quite important for Sweden to have a strong defense program.

But have attitudes toward defense changed because of the submarine incident?

Women Want a Stronger Defense Program

According to the IMU, one-fourth of all Swedes think that the submarine incident has made them feel, more than ever, that it is important for Sweden to have a strong defense program. But two-thirds of all those interviewed do not think that the submarine changed their attitudes on this question.

The change among women, who ordinarily are more negative toward a strong defense program than men, is of interest in that connection. While 16 percent of the men think that a strong defense program became more important because of the submarine incident, the figure for women is 33 percent. Should our defense program become even stronger in view of what has happened, among other things? Yes, that is what almost 4 out of every 10 interviewees covered by the survey thought.

In former, similar surveys, approximately a fourth of the interviewees usually recommended a stronger defense program. The difference between that 25 percent and the 37 percent reported by the Swedish Institute for Public Opinion Polls can be interpreted as meaning that the demand for a stronger defense program increased after the submarine incident.

Gustafsson the Scapegoat

A clear majority--between two-thirds and three-fourths of all those interviewed--think that the government and the military handled the submarine incident very well or quite well. The 24 percent who thought that the government handled the matter poorly were given full opportunity to explain their views.

The most frequent objection was that the government's conduct was not firm enough and that they had been too indulgent and easy-going. "The Soviets would have been much harsher if a Swedish submarine had gotten into their waters" was a frequent reaction.

And Defense Minister Torsten Gustafsson became the government's special scapegoat. "He did not carry out his job," many people said.

Swedes Not Surprised

The IMU also asked what the Swedes' attitude toward the Soviet Union had been previously and in what way the submarine incident had changed it. Nineteen percent stated that their attitude toward the Soviet Union now had become more negative, but a full 80 percent said that their attitudes were unchanged.

The fact that the reaction against the Soviet Union was no sharper than it was is probably because a majority of Swedes have always had a negative attitude toward the Soviet Union. To put it in more specific terms, one can say that the Swedes were not particularly surprised by the Soviets' venture into the Karlsrona Archipelago. It was only what one could expect from that quarter.

It is apparent, from a comparison of the responses to the two questions on the Soviet Union, that a clear majority (78 percent) of the one-third of all interviewees who previously were neither favorably nor unfavorably disposed toward the Soviet Union feel that their opinions continue to be neutral. Two out of every 10 of these (18 percent) are more unfavorably disposed now.

Out of the majority of all those interviewed (63 percent) who say that they previously were very unfavorably or quite unfavorably disposed toward the Soviet Union, 8 out of every 10 (79 percent) [sic] feel that they have the same unfavorable disposition as formerly, while 2 out of every 10 (20 percent) feel even more unfavorably disposed than previously.

The following are the questions and responses in the IMU's survey concerning the submarine incident and Swedish public opinion:

Question: Do you think it is important or unimportant for Sweden to have a strong military defense program?

Responses in percentages of all those interviewed:

Very important	48
Quite important	38
Not particularly important	10
Not important	4

Question: Has the submarine incident changed your attitude on this question? Is it more important now than previously or less important than previously, or is there no difference in your attitude?

	All	Men	Women
More important	25	16	33
Less important	2	2	2
No difference	71	81	62
Uncertain/do not know	2	2	2

Question: Approximately how strong a military defense program should Sweden have at present?

Responses in percentages of all those interviewed:

Less strong than at present	7
Approximately as strong as at present	49
Stronger than at present	37
Uncertain/do not know	7

Question: How do you think the Swedish government has handled the submarine incident up to the present?

Responses in percentages of all those interviewed:

Very well	14
Quite well	54
Quite poorly	19
Very poorly	5
Do not know/no response	9

Question: How do you think the Swedish military has handled the submarine incident up to the present?

Responses in percentages of all those interviewed:

Very well	25
Quite well	49
Quite poorly	12
Very poorly	6
Do not know/no response	8

Question: Has the submarine incident changed your view of the Soviet Union? Are you more favorable now, more unfavorable now or is your view of the Soviet Union unchanged?

Responses in percentages of all those interviewed:

More favorable	0
More unfavorable	19
View unchanged	80
Do not know/no response	1

Question: What was your view of the Soviet Union previously, before the submarine incident?

Responses in percentages of all those interviewed:

Very favorable	0
Quite favorable	4
Neither favorable nor unfavorable	33
Quite unfavorable	37
Very unfavorable	24
Do not know/no response	2

Pollster Discusses Findings

Stockholm DAGENS NYHETER in Swedish 7 Nov 81 p 7

[Article by Dick Ljungberg: "The Head of the IMU Says That Criticism of the Soviet Union Has Increased Surprisingly Little"]

[Text] "What undoubtedly surprises me the most about the present survey is the fact that 'only' approximately 20 percent responded that their attitudes toward the Soviet Union had become more unfavorable because of the submarine incident." That is what Hans Alfredson, the head of the IMU [Institute for Market Research], says. His organization carried out an opinion poll concerning the submarine incident and Swedish public opinion for DAGENS NYHETER.

"But the reason for that is the fact that a majority of the Swedish population was already unfavorably disposed toward the Soviet Union," he says.

"Do the results you obtained coincide with those from earlier, similar surveys which were carried out for the Preparedness Committee for Psychological Defense, for example?" he was asked.

"On the whole, we can only try to make a comparison with earlier surveys with respect to certain points," Hans Alfredson said, "but even then we do so in the realization that the method and the questions are different.

"We have known for some time that there clearly is support among the Swedish population for a strong defense program, and that is substantiated here. We also have known for some time that quite a large group of Swedes want to have a stronger defense program. The submarine incident has further strengthened the position of those in that category. As many as 37 percent now want to strengthen the defense program.

"In earlier surveys, it was approximately 50 percent of those interviewed who, in one way or another, expressed the idea that the Soviet Union is not amiably inclined toward us. In the present survey, it was more than half (61 percent) who were very unfavorably or quite unfavorably disposed toward the Soviet Union. In spite of the difference, the level of response, in broad outline, is still the same," Hans Alfredson says.

Precision Is the Determining Factor

"Can you actually gauge Swedish public opinion by questioning only 252 people?" he was asked.

"The number of interviews to be carried out in a specific survey is determined by the precision (statistical reliability) one wants to impart to the result," Alfredson replied.

"It is a delusion that one has to interview several thousand people to find out what the Swedes are thinking--that is, when one arranges the size of the sample in relation to the group (population) one wants to survey.

"We thought that, in this survey, we could have an unreliability (statistical margin of error) of between ± 4 and ± 7 percent. That means that the proportion who think that it is 'very important' or 'quite important' for Sweden to have a strong defense program (86 percent) has an unreliability of approximately ± 4.5 percent, for example. That is to say, the 'true' value lies between 81.5 and 90.5 percent, with a reliability of 95 percent.

"Therefore we considered the precision to be sufficient for this survey in consideration of the fact that, among other things, it was supposed to be carried out very rapidly, that we were supposed to produce a total result first of all and that it was not so important to see the various partial groups," Hans Alfredson said.

"If we had wanted to bring the margin of error down to ± 2 percent, we would have had to go up to a thousand interviews. But the total picture of public opinion is not changed if one gets a figure of 75 percent instead of 80 percent, for example," he said.

Naval Chief Sees Increased Defense Will

Stockholm DAGENS NYHETER in Swedish 7 Nov 81 p 7

[Article by Mats Holmberg: "Naval Chief Says Desire for Defense Increases"]

[Text] "It is nice to discover that our view has been generally accepted by the population. We have maintained for several years that the worsened situation around our borders called for a stronger defense program. Now people are seeing with their own eyes that perhaps there was something in what the terrible military people were saying."

That was the comment of Admiral Per Rudberg, the commander of the Swedish Navy, on DAGENS NYHETER's IMU [Institute for Market Research] report.

One-fourth of the Swedes whom the IMU questioned stated that the submarine incident reinforced their view that Sweden needs a strong defense program. Thus, 86 percent of all Swedes think that a strong defense program is very important or quite important--an alteration of views which, according to Admiral Rudberg, among others--should affect this country's policies.

"The people who are responsible for defense policy are elected by the people," he says. "They should take public opinion into consideration."

"Then should the submarine incident, in its extension, mean more money for defense?" he was asked.

"Yes, that is my view of the matter," Per Rudberg said.

"The fair wind blowing for the military after the submarine incident is not going to give rise to any suddenly-improvised public-relations campaigns," said Lieutenant Colonel Jan-Ake Berg, the chief of the Intelligence Section of the Defense Staff.

"We have a fixed plan we are following," he said. "But after this it will certainly be easier to work--to get to visit various organizations and talk about security policy, for example."

Jan-Ake Berg hopes that the Defense Committee will remember the reactions concerning the submarine, a short time from now, when it sits down to draw up guidelines for the organization of the defense program.

"It will be dangerous," Jan-Ake Berg says, "if the general population's fear in the wake of the submarine incident is too acute."

"I am concerned about how people will react to the information about nuclear charges aboard the submarine," he said.

"It would be unfortunate if people concluded that all Soviet ships around our coasts are armed with nuclear weapons and that consequently defending ourselves would be of no use." Jan-Ake Berg is soon to discuss with the commander in chief, among others, how to convince the general public that it is worth the trouble to concentrate on a strong conventional defense program.

Defense Minister Experiences Disfavor

Stockholm DAGENS NYHETER in Swedish 7 Nov 81 p 7

[Text] Defense Minister Torsten Gustafsson (Center Party) should resign, 45 percent of the Swedish people think: 24 percent believe he should remain while 31 percent of the population reply "I don't know" to the question.

This was in response to the direct question asked by the IMU [Institute for Market Research] in its opinion poll: The name of the present Swedish Minister of Defense is Torsten Gustafsson. Do you think he should resign or remain as Defense Minister?

Then, the question is not directly related to the submarine incident, but it was asked in that connection, nevertheless. On Tuesday, Thorbjorn Falldin and Olof Palme had a vigorous debate in the Riksdag on two statements on neutrality which Defense

Minister Gustafsson made during the late summer and fall which attracted much attention. Sunday evening he made a statement on television that he could not imagine using force against the Russian submarine in any case, which also drew sharp criticism.

Acted Sluggishly

Even before the IMU's telephone interviewers got to the question as to whether Torsten Gustafsson should resign or not there were many who spontaneously said that he should resign.

That was in connection with an earlier question where those who thought that the government handled the submarine incident poorly got a chance to give the reasons for their answers. Criticism of Gustafsson was encountered frequently in that connection. He had behaved poorly, had acted sluggishly, been cowardly and irresolute, gone away at the wrong time and had not done his job, according to some of the replies.

'Euro-Communist' Party Chief Comments

Stockholm SVENSKA DAGBLADET in Swedish 9 Nov 81 p 6

[Text] "Now the second round of the campaign of persecution in connection with the submarine incident has gotten under way. Radiant military leaders are talking about a deathblow to the idea of a nuclear weapons-free zone."

That is what Alf Lovenborg said at the annual district conference of the Communist Party of Norrbotten in Kalix on Sunday. Where the question of nuclear weapons is concerned, it is clear, according to Lovenborg, that neither the government, the military leadership or the FOA [Defense Research Institute] can say with certainty whether there were nuclear weapons aboard the Soviet submarine.

"It is probable," the government says. Thorbjorn Falldin employs the phrase "with probability bordering on certainty." "I will do the same thing," says Lovenborg, "and say that with certainty, bordering on probability, the military leaders, together with the government, have perpetrated a gigantic bluff for obvious purposes which are harmful to our country. "The fact that the submarine went astray in Swedish waters naturally had to be condemned as a violation. We are in agreement with the government on that part of the incident. But, on the other hand, we do not hold with using what happened to whip up a psychosis with obviously provocative moves and becloud the purpose, "Lovenborg asserted.

'Moscow-Oriented' CP Chief Comments

Stockholm DAGENS NYHETER in Swedish 9 Nov 81 p 9

[Article by Willy Silberstein: "I Believe the Soviets Want To Disarm"]

[Text] "I continue to believe that both the people and the leaders in the Soviet Union want to have disarmament. But at the same time the Soviet Union is a great power and it acts accordingly--aggressively and ruthlessly."

That is what Left-Wing Communist Party leader Lars Werner told SVENSKA DAGBLADET. That statement came on the same day the Left-Wing Communist Party slipped back down below the magic 4 percent figure according to SIFO's [Swedish Institute for Public Opinion Polls] measurements, and that is the limit which determines whether or not a party gets into the Riksdag.

Lars Werner says he is not worried about the public opinion figures. The Left-Wing Communist Party frequently moves up and down; that always happens to small parties in the opinion polls.

"We have also been under 4 percent in earlier surveys," he says, "but I am convinced that we will remain in the Riksdag."

"Is the Left-Wing Communist Party going to lose votes because of the Soviet submarine?" he was asked.

"It is chiefly the parties to the right of us which link the Left-Wing Communist Party with the Soviet Union," he said, "but we certainly are going to feel what happened, even if only marginally.

"Obliterating, for a brief period of time, the traces of the old mistakes we made when we uncritically accepted what the Soviets said will not work," Werner said.

"We Certainly Will Remain"

On the other hand, Lars Werner is completely convinced that the Left-Wing Communist Party will remain in the Riksdag even after next year's election.

"Will that also hold true if the Soviet Union invades Poland?" he was asked. "When Warsaw Pact troops marched into Czechoslovakia in 1968, the Left-Wing Communist Party was hit hard in voter figures that same year."

"I don't want to speculate on that. But the fact that the Left-Wing Communist Party was hit so hard in 1968 was due to the fact that only 4 or 5 years had passed since the party became more independent with respect to the Soviet Union." Lars Werner said that he was informed by Prime Minister Thorbjorn Falldin the day after the submarine went aground, but he did not know anything about nuclear weapons until the news was published.

"But we learned enough to be able to back the government's actions," he said.

"Aircraft Too Expensive"

There has been talk about increased financial allocations for defense because of the Soviet border violation. But Lars Werner wants to continue to cut down instead.

"We ought to have strong defense of our borders," he says, "but that can be achieved without increased allocations for defense. For example, why does Sweden have to have such an advanced air force? That costs too much money."

"During the referendum, the Left-Wing Communist Party had slightly more than 7 percent of the voters supporting it. The Communists have moved backwards since then. Why is that?" he was asked.

"The party is in a difficult position. Because of the situation in Parliament, we only influence policy when we support the nonsocialists, which naturally does not happen very often. We would be better off if we tied all our proposals together. The Left-Wing Communist Party should make it apparent that we are a credible alternative more forcefully than we are doing at present," says Lars Werner.

"I Know How It Feels"

When the interview was finished, he called after us, "Give my regards to your next interview victim, Ola Ullsten, and tell Ullsten I know how it feels to be at 5.5 percent!"

9266

CSO: 3109/39

DEFENSE COMMITTEE TO ASK FOR 200 MILLION FOR COASTAL DEFENSE

Stockholm SVENSKA DAGBLADET in Swedish 15 Nov 81 p 6

[Article by Erik Liden: "Defense Committee: 200 Million to Coastal Defense"]

[Text] The Defense Committee recommends increased resources for watching over coastal and archipelago areas, as one result of the submarine episode at Karlskrona.

In December the Defense Committee will recommend to the government that fully 200 million kronor more be allocated for the 5-year period 1982-1987.

Radar stations will be provided, sea surveillance centrals at Karlskrona, Malmo and Gothenburg will be more quickly expanded, coastal surveillance will get more aircraft, listening buoys will be purchased, four vedette boats (modified torpedo boats) will be procured and more helicopters for antisubmarine work will be ordered.

Furthermore the navy will procure towed hydrophones for the two new missile ships to be built at Karlskrona Shipyard. With modern techniques these can be operated at various depths and thereby complement the helicopters when submarine search is underway.

Helicopters to Blekinge

If the government decides to buy more helicopters it is probable that F 17 at Kallinge will get three or four new helicopters which can operate more quickly in the Baltic than can helicopters at Gothenburg and Berga, south of Stockholm.

Today it takes 4 hours to get a helicopter from Berga to a submarine search south of Karlskrona following a submarine alarm.

According to a previous decision by the OB [Supreme Commander of the Swedish Armed Forces], radar watch will be strengthened along the west coast and for border violations in the Torne Valley. The much discussed low altitude radar, which was ordered from ITT for 500 million kronor instead of L.M.Ericsson, will be used here among other things.

9287

CSO:3109/4

BRIEFS

SUBMARINE INCREASED DEFENSE COMMITMENT--The submarine affair has caused more Swedes to want increased defense, and more now regard the Soviet Union as a threat. This was shown by a poll conducted by the National Psychological Defense Planning Committee. Most of those asked also believe that the government and the military acted correctly, while a significant minority--29 percent--thought that the measures taken were too weak. Fully 500 people participated in the poll, which was taken a couple of days after the Soviet submarine left Swedish territory. After the submarine affair 34 percent of those asked thought that the Soviet Union was a threat to Sweden, which is a significant increase compared with a previous poll. During the fall--when fully 1000 people were asked--the number was 14 percent. The view of the military has also changed. Before the submarine affair 22 percent believed that defense was too weak, and after the submarine affair the number increased to 42 percent. [Text] [Stockholm DAGENS NYHETER in Swedish 26 Nov 81 p 5] 9287

CSO: 3109/45

BRIEFS

RELIGION COURSES UNDER REVIEW--The Ministry of Education is studying the abolition or curtailment of religion courses. Authorities at the Ministry have taken this initiative following proposals made by partisan trade union leaders. As is known, the question had been discussed already in the past by trade unions in the educational field, which aimed at completely destroying the humanistic character of education. This proposal has received the support of government newspapers, which are regularly publishing the views of educators and "specialists" dealing with the abolition of religion courses in order to exert pressure. Educators and theologians have already brought the issue to the attention of the Church, and it will probably be taken up by the Holy Synod whenever official confirmation will be provided by theological schools and the Panhellenic Union of Theologians. [Text] [Athens AKROPOLIS in Greek 20 Nov 81 p 2]

CSO: 4621/79

DATASAAAB ACCUSED OF FALSELY MARKING U.S. PARTS SOLD TO USSR

Stockholm GNISTAN in Swedish 20 Nov 81 p 1

[Article by Thomas Kange: "GNISTAN Has Proof Against Datasaab: Re-Marked and Smuggled Sensitive Radar Components"]

[Text] Here is proof that the leaders of Datasaab and L.M. Ericsson lie! In the much-publicized "Datasaab affair" the business leaders and the top men in the Ministry of Industry competed to protest their innocence. The only thing acknowledged was that export prohibition of certain American components was violated. "The export was entirely open," said both Erik Goliath, head of information at Datasaab, and Magnus Lemmel, director of L.M.Ericsson which now owns Datasaab. But GNISTAN can reveal how Datasaab smuggled out and re-marked the sensitive components.

The story of Datasaab's offense against the export prohibition goes back to 1974. The business, which was then called Stansaab, succeeded in hard competition with international electronics firms to get an order for an aircraft control system in the Soviet Union. Primarily it was for equipment for the new large airport at Moscow, but also two other airports were included. One was in Kiev in the Ukraine, the other in Mineralnye Vody, a small place north of Kaukasusbergen in southern Russia. The entire order was worth 319 million kronor.

The computer-controlled aircraft control system was equipped with so-called primary radar. This radar, in contrast to a secondary radar, can also track military aircraft. Since advanced components in the system were made in the United States, Stansaab was forced to apply for an export license, because of the military connection.

This was rejected by the American Department of Commerce in 1977 after several years of discussions.

The United States could not permit the Soviet Union to have access to extractors, the most important ingredients in the primary radar, which makes possible extremely clear radar pictures.

Since the entire aircraft control system was fairly useless to the Soviets without these components, there was an imminent risk that the whole deal would fall apart.

Stansaab's management then chose to put in a new license application in which the forbidden components were not included, and later in secret to send these over to the Soviet Union.

"We have delivered the equipment, and thereby violated the license," said Magnus Lemmel, director at L.M.Ericsson who looked into the question. "But all of this export happened openly, with customs papers. There is no truth to the claim that we smuggled. Neither have we re-marked any components."

"Pure Fantasy"

Erik Goliath, chief of information at Datasaab claimed the same thing.

"What has appeared in the press is pure fantasy," he said. "We are reported to have sent circuit cards by Russian courier. But they were just packed in the usual way and mailed. In certain cases they went by our employees' hand baggage. And no components were re-marked!"

But the delivery was more secret and shrewd than that. The "permitted" equipment was sent entirely openly, most often by Russian trucks. Thereafter the firm's employees on site in the Soviet Union contacted Stansaab and reported that things were broken and therefore they needed spare parts.

"But instead of spare parts the export-prohibited equipment was sent," said a technician who at the time was employed by Stansaab. The managers of the business estimated that the customs would not be interested in boxes marked "spare parts." And it turned out that they were correct!

We Have Proof

To further protect themselves against discovery the export-forbidden American components were re-marked. This has so far been frantically denied by L.M.Ericsson and Datasaab. Magnus Lemmel and Erik Goliath repeated the denial, and so far it was their word against ours. But GNISTAN has proof.



Caption: Two shift registers manufactured by the American firm Advanced Micro Devices. Export of these to the Soviet Union is prohibited by the American Commerce Department because they have military importance. So Datasaab's management had them re-marked by Rifa, a firm owned by L.M.Ericsson in Stockholm.

The above photograph shows two re-marked components. These are so-called shift registers. Their function is to store information until it is to be shown on a viewing screen. Without these components there would be no clear pictures.

The components were originally manufactured by the American firm Advanced Micro Devices, AMD. They were taken to the electronics firm Rifa outside Stockholm from Datasaab. There the American marking was removed and they were re-marked.

The new marking is "RIFA R743 RD 8599N."

This remarking makes the situation even more difficult for the already hard-pressed L.M.Ericsson. Rifa is owned by L.M.Ericsson.

Magnus Lemmel told GNISTAN that it is "incredible" that such re-marking took place. He also said that no other firm was involved in the export license violation.

GNISTAN, however, gladly offers the re-marked components for impartial analysis.

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